

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

Paris, Wednesday, December 23, 1998

No. 36,021

TODAY:  
Newcomer on Parade, Page 10



Iraqis shopping this week in the Shorja market in central Baghdad as they adjust to a new period of peace.

## Baghdad Gets Its Lethargy Back

### Four Days of Bombs Fail to Jar a Capital Frozen in Time

By Stephen Kinzer  
New York Times Service

BAGHDAD — At one newsstand in downtown Baghdad, a magazine on display reports that the Prince of Wales has been seen with Lady Diana Spencer, and speculates that a romance might be blossoming. At another, the prize offering is a maintenance manual for the 1988 Oldsmobile.

Iraq is a nation frozen in time, and the recent wave of American and British bombing seems to have done nothing that would hasten a thaw.

The oddest thing about the bombing campaign, at least as viewed from Baghdad, is how little it changed anything. Life is continuing as if the explosions that were heard last week were nothing more than a fireworks show.

Certainly, there was an air of theater about the striking anti-aircraft fire that lit up the sky during the bombing raids.

Most of the Iraqi fire, if not all of it, came from low-caliber weapons that had no more chance of shooting down a jet fighter than a popgun would have. Its only purpose was to give Iraqis a sense that they were in some way masters of their destiny and not simply mute subjects.

That sense was probably inaccurate. Iraq may still be able to defy the West, but people here cannot affect the course of President Saddam Hussein's government.

Out of necessity, if for no other reason, Iraqis seem to have accepted their fate. As they adjusted in recent days to a new period of peace, they continued to live in a world that for nearly a decade has not progressed a bit and in fact has slowly deteriorated.

Nowhere is this more visible than along the banks of the Tigris, which runs through the heart of Baghdad. For generations, its landscaped banks were one of the most romantic places to stroll in the entire Middle East, lined with seafood restaurants that were packed until late at night.

Now the once-magnificent parks are overgrown with weeds, and the ruins of the restaurants are home only to vermin. Groups of unemployed men sit silently in chairs along the opposite sidewalk, gazing toward the river and perhaps recalling the city's lost glory.

Baghdad's central bazaar resembles Cairo's or Istanbul's played in slow motion.

There is a fair amount to buy, but nothing like what is available even in comparably cities like Amman, Jordan, Manama, Bahrain.

The Dollar			
	Tuesday @ 4 P.M.	previous close	
DM	1.672	1.6831	
Yen	118.705	118.185	
FF	5.0059	5.0025	
Pound	1.66	1.6831	
The Dow			
	Tuesday close	percent change	
S&P 500	9,044.48	+ 0.62%	
Nasdaq	1,203.57	+ 0.06%	
	17.05	2,120.86	- 0.80%

Newstand Prices	
Atlanta	10.00 FF Lebanon 11.3000
Amman	12.50 FF Morocco 18.00
Cairo	1.600 CFA Qatar 10.00 QR
Egypt	5.50 FF Pakistan 12.50 FF
France	10.00 FF Saudi Arabia 10.00 SR
Gabon	1.100 CFA Senegal 1.100 CFA
Italy	3.000 Lire Spain 250 Ptas
Ivory Coast	1.250 CFA Tunisia 1.250 DT
Jordan	1.250 JD U.A.E. 10.00 Dh
Kuwait	700 Fils U.S. M.R. (Est.) \$1.20

The bustling commercial energy that throbs through the rest of the Middle East is absent here, as if someone had sprinkled the population with sleeping powder.

Eight years after the United Nations imposed punishing economic sanctions on Iraq, people here have devised two distinct strategies for dealing with the country's steady decline.

Ordinary people have simply reduced their expectations. They live on what can be produced inside the country and

on rations distributed by the United Nations. For them, the only affordable goods from abroad are cheap Chinese clothing, toothbrushes from Thailand and colognes with incongruous names like America, Top Gun and Route 66.

The elite have found ways to maintain the good life. There are villas along leafy avenues and new Toyota sedans, which under the right circumstances might someday be traded for the latest

See BAGHDAD, Page 6

## Vote Leaves Netanyahu Alone (but Not Yet Down)

By Deborah Sontag  
New York Times Service

JERUSALEM — If there was anything that brought unity to the fractious Israeli Parliament, it was bringing down Prime Minister Benjamin Netanyahu in an overwhelming majority vote to dissolve the government two years early.

There was no clearer image of a leader alone than Mr. Netanyahu on the floor of the House, a single colleague, Justice Minister Tsahi Hanegbi, sitting stone-faced by his side. Nearby, members of Parliament gathered in big voluble groupings, crossing party lines in spirited conversation, even bonhomie.

When the prime minister rose Monday to deliver his eleventh-hour pitch for a unity government, members of Parliament broke into loud, mocking laughter. Sinking into his seat, Mr. Netanyahu tore paper into confetti-like shreds, his face frozen as he was turned down by Ehud Barak, leader of the opposition Labor Party.

A newspaper poll published Tuesday showed Mr. Netanyahu facing certain defeat in new elections in the spring. In general, the newspapers — which Mr. Netanyahu constantly maligns and claims not to read — declared with unrestrained glee that he had finally got his comeuppance.

"His hubris, his paranoia and his arrogance have proved to be his downfall," Yoel Marcus wrote in a column in the daily Haaretz. "He finds himself without partners, without friends."

And yet, although the body politic came together in the vote Monday, it is expected to splinter into one of the broadest playing fields in Israel's electoral history, with no outcome predictable.

The columnists and the pollsters were certainly clueless last time. Until the final moment, they underestimated the campaign skills of Mr. Netanyahu, a shrewd and charismatic outsider who overcame the long control of the Ashkenazi elite to bring together a mix of those outside the corridors of power, the strict Orthodox, the Sephardic Jewish working class, the Russian immigrants and extreme rightist ideologues.

"If there is one thing that can be said with certainty about the prime minister, it is that always, but always, it is too early to eulogize him," Hemi Shalev, a political analyst, wrote in Maariv.

On Monday, before the vote, Mr. Netanyahu had given up lobbying. His office was empty but for security



Ehud Barak of the Labor Party, who is taking on Mr. Netanyahu.

guards. He met only with Mr. Hanegbi and Foreign Minister Ariel Sharon.

Other than that, Mr. Netanyahu appeared utterly isolated within the political establishment. But he still may prove adept at wooing a working man in

See ISRAEL, Page 6

## China Defends Arrest of Dissidents And Lashes Out at U.S. Criticism

### Clinton Policy Assailed Upholding 'Rule of Law'

By Philip Sheoon  
New York Times Service

By John Pomfret  
Washington Post Service

WASHINGTON — Six months after President Bill Clinton traveled to Beijing and challenged Chinese leaders to move rapidly toward political reform, the administration policy of engaging Beijing is being called into question after Chinese courts sentenced three of the most prominent dissidents in the country to long jail terms.

Critics of China on Capitol Hill and human-rights groups said the tough sentences proved that encouraging trade and diplomatic ties in hopes of democratic reform had failed.

The dissidents — Xu Wenli, who was sentenced Monday to 13 years in prison, Wang Youcai, who received an 11-year sentence, and Qin Yongmin, who received 12 years Tuesday, were charged with subversion.

Given Mr. Clinton's effusive praise for senior Chinese leaders during his trip to Beijing last summer, the administration has found itself on the defensive, and has harshly criticized the prison sentences, even as it continued to insist that engagement is helping push Beijing toward democracy.

The United States "deeply deplores" the jail terms, a spokesman for the State Department, James Foley, said. He called for the immediate release of the dissidents, saying, "These three men appear to have been involved in nothing more than efforts to form a new political party."

While condemning the sentences, Mr. Foley and other American officials were careful to repeat the administration view that there has been progress on human rights in China, some of it linked to Mr. Clinton's meeting in Beijing with the Chinese president, Jiang Zemin.

"There had been improvements in the human-rights situation in China, modest improvements," Mr. Foley said. The recent instances of harassment of democracy campaigners are "steps backward in relationship to what had been an improved human-rights performance."

Critics noted that the sentences were handed out less than a week after Mr. Jiang delivered a pointed speech in Beijing in which he made clear that Chinese economic reforms were not a prelude to Western-style democracy and that challenges to the supremacy of the Communist Party would be crushed.

"The Western mode of political systems must never be copied," he said.

Representative Nancy Pelosi, Demo-

BEIJING — China mounted a rigorous defense Tuesday of the harsh sentences it imposed on three opposition activists this week, singling out "the media and figures" in the United States for "whipping up opinion against" China.

In editorials, public statements and a lengthy tirade published by its state-run press service, China sought to equate its crackdown on the first attempt to establish an opposition party in China with American laws against treason.

On Monday and Tuesday, Chinese courts sentenced three men to prison for "plotting to overthrow state power" and "endangering state security." Xu Wenli, a dissident, received 13 years. A comrade-in-arms, Qin Yongmin, got 12 years, and Wang Youcai, a former student organizer of the protests around Tiananmen Square in 1989, was sentenced to 11 years.

The tactics employed by the Chinese government in defending itself reflect the belief here that Western governments, which have expressed outrage at the verdicts, do not understand China.

"China cannot accept these criticisms," said Zhu Bangzao, a Foreign Ministry spokesman, of the outpouring of Western condemnation of China. The Western outcry has focused on China's violations of the United Nations International Covenant on Civil and Political Rights that it signed in October.

"This is the normal judicial activity of a country with the rule of law and purely the internal matter of a sovereign state," Mr. Zhu said.

China's reaction also underscores the concern felt by the Communist Party about social stability and its own position. Strikes and other forms of labor unrest are occurring throughout the country; in attempting to form the China Democracy Party, Mr. Xu, Mr. Wang and Mr. Qin tried to enlist the support of unemployed workers.

Finally China's reaction illustrates that when it comes to dealing with organized dissent the party appears to remain united: the best way to handle dissent is to "nip it in the bud," President Jiang Zemin said last week.

Reports on Tuesday and Monday in China's state-run press on the crackdown gave the strong impression that the party plans to increase its vigilance against the possibility of organized dissent. Several party members in recent weeks have



Qin Yongmin, a dissident, was convicted of endangering state security.

See DISSIDENT, Page 4

## Malaysia Looks at Easing Controls

### Policymaker Expects Action 'Very Quickly' to Reassure Investors

By Alan Friedman  
and Thomas Fuller  
International Herald Tribune

KUALA LUMPUR — Malaysia's leading economic official said Tuesday that the government planned to modify a key element of the capital controls imposed three months ago, which triggered an international debate over how emerging economies should protect themselves against speculators.

Daim Zainuddin, Malaysia's de facto finance minister, said in an interview Tuesday that he was pleased with the results of capital and currency controls introduced last September and which were widely criticized in the West. He said, however, that the government would act "very quickly" to reassure international investors by modifying conditions related to the withdrawal of foreign money from the country.

Foreign portfolio investors, who hold an estimated \$10 billion in Malaysia,

were angered by Malaysia's decision to ban the withdrawal of capital from the country for a period of one year from the time they were imposed.

Mr. Daim, 60, said the government was studying two main proposals to replace that rule, which was designed to discourage speculative short-term capital flows.

The government was considering replacing the one-year freeze with an "exit tax," a more flexible and less punitive system than the straight ban on outflows. The other option, Mr. Daim said, would be a system of "most-favored investors," which would allow investors judged to have a long-term interest in the country more freedom to move money in and out.

"These are the options we are looking at," said Mr. Daim, who is Prime Minister Mahathir bin Mohamad's closest adviser. "We hope to implement one of them as soon as possible. We want to move very quickly

and settle this once and for all."

Malaysia's plans come amid signs that foreign money is coming back into East Asia — money that Kuala Lumpur does not want to miss out on. Since September the stock market has recovered dramatically here as well as in places like Hong Kong and Thailand.

Ironically, many investors who were furious when their money was trapped in September have seen their Malaysian portfolios almost double. If the ruling is changed in the next few weeks — and indications are that it may — investors will be able to withdraw a lot more money than would have been the case had the government allowed them to liquidate earlier.

Mr. Daim, who as finance minister a decade ago helped lead Malaysia out of its last recession, has been instrumental in steering the economy of late, and is considered the country's top policymaker after the prime minister.

The one-year rule was introduced in September as a direct reaction to the massive capital outflow that accompanied the early stages of the regional economic crisis last year.

Malaysia's stock market, which before the crisis was one of the region's biggest, had lost about \$160 billion in paper value by August, reducing it to about a third of pre-crisis levels. Since then, the market has recovered dramatically, with the main Kuala Lumpur

See MALAYSIA, Page 4

## Science Bridges U.S. Gap With Cuba

By Mark Fineman  
Los Angeles Times Service

HAVANA — It started with sparrows, egrets and the ivory-billed woodpecker. It led to the discovery of a sloth dating back 12 million years — the earliest land mammal identified at the time in the Greater Antilles.

By September, it had paved the way for an unusual expedition: A U.S. government research vessel, flying the Cuban and American flags, quietly spent a month in Cuban waters, the first such joint mission in four decades.

On board, scientists from two nations that have no diplomatic ties and 40 years of bitter history surveyed a population of sharks that travel more freely between Cuba and the United States than do the humans who inhabit those lands.

Those are but a handful of landmarks in a new age of scientific collaboration — a fast-growing, yet discreet development that the scientists say has enormous potential for bridging the ocean of social, cultural and political mistrust between the United States and Cuba.

A rebirth of personal and professional friendships among a

new generation of American and Cuban scientists has transcended politics. Together, these colleagues are reawakening a scientific partnership that dates to the 1830s.

Largely unnoticed and deliberately unheralded, scientists from the two nations are communicating almost daily by phone and e-mail. They are working together on cutting-edge research projects. They share important discoveries and visit one another by the dozens each year. Through it all, they are carefully and meticulously unraveling a web of complex bureaucratic barriers in both countries to open new relationships that are helping to gradually erode the suspicions of their political leaders.

These emerging relationships are based, in part, on the inescapable pragmatism of science. The United States and Cuba, separated by 90 miles (145 kilometers) of ocean, are inextricably linked by nature: Migratory birds, fish, pollution and the weather do not recognize national borders.

The long history of U.S.-Cuban scientific collaboration that ended with the victory of Fidel Castro's revolution 40

See CUBA, Page 6

## 2 Therapies Aid Growth of Heart Bypass Vessels

By Lawrence K. Altman  
New York Times Service

NEW YORK — Two small studies have shown that, over just a few weeks, one dose of experimental drugs injected into the heart can greatly relieve, or even eliminate, the chest pain of coronary artery disease by encouraging the growth of new blood vessels to bypass clogged arteries, according to researchers in the United States and Germany.

The research is at a preliminary stage, and the drugs have yet to be tested in large groups of people. Even if the results hold up, it may be years before any therapy is available for patients who suffer from such chest pain, or angina.

One of the treatments under study is gene therapy to produce a protein called vegF, for vascular endothelial growth factor. The other entails injection of a protein called FGF-1, for fibroblast growth factor.

Each drug is given in a single injection, through a surgical incision in the chest. In effect, both treatments aim to allow patients to grow their own heart bypasses by sprouting thin "collateral" blood vessels, in a strategy called therapeutic angiogenesis.

The same gene therapy involved in one of these treatments has been shown to be effective in building new blood vessels in the legs, but these reports are the first to assert that gene therapy

has produced new vessels in the heart.

The coronary gene therapy research, led by Dr. Jeffrey Isner of St. Elizabeth's Hospital in Brighton, Massachusetts, and Tufts University, is reported in Tuesday's issue of *Circulation*, a journal published by the American Heart Association. The protein therapy is being developed by Dr. Thomas Joseph Stegmann of Fulda, Germany, a

See HEART, Page 6

## AGENDA

### Israeli Missile Hits Lebanese Civilians

BAALBEK, Lebanon (AP) — Israeli warplanes fired missiles at suspected guerrilla bases in eastern Lebanon on Tuesday, killing a woman and six of her children, Lebanese security officials said.

They said an Israeli rocket hit a farm in the village of Nabi Sheit, where a family — a couple and their seven children — lived. The mother and six children between the ages of 2 and 13 were killed. The father, Mohammed Othman, and one child were wounded. It was the worst civilian toll this year in the Israeli-guerrillas conflict.

Books	Page 10.
Crossword	Page 10.
Opinion	Pages 8-9.
Sports	Pages 18-19.
The Intermarket	Pages 9, 18.
The IHT online	www.ihl.com



## Budapest Mob Wars/A Key Battleground

## Crime Wave in Hungary Sets Off Alarm in U.S.

By Peter Finn  
Washington Post Service

**B**UDAPEST — It was just before noon on July 2 when Tamas (Big Tom) Boros, a Hungarian mobster, left one of his offices in the city center, accompanied by his lawyer. McDonald's was down the block, and just around the corner was Vaci Street, a fashionable area teeming with tourists and shoppers.

Mr. Boros's cellular phone began to chirp and he stopped to answer it near a Polski Fiat that had been parked on Aranykeze Street for two days. In that moment, about 11 pounds (5 kilograms) of TNT packed in the Fiat was detonated by remote control. Mr. Boros's body was obliterated and his lawyer and two bystanders were killed. Twenty other people were wounded.

Budapest's mob wars had come out of the shadows with a vengeance. This Central European capital, which a few dozen Russian-speaking gangs now call home, has become a key battleground in the struggle against international organized crime. And because of direct links between East European and East Coast mobs, the United States has a dog in this fight.

"It caused great alarm," said Istvan Miko, director of the Hungarian Police Organized Crime Task Force, of the killing of Mr. Boros, who was cooperating with the Hungarian police at the time of his death.

Hungarian authorities created the organized crime unit after the killing. Last month, police, customs and border officials arrested 200 suspected low-level mobsters in a 24-hour sweep. The Hungarian Parliament is considering a package of bills, including money laundering, racketeering and continuing criminal enterprise statutes, tougher sentences for drug and prostitution convictions, asset seizure laws and a witness protection program for future informants like Mr. Boros.

"For Hungary, it is a pivotal time in our history," Prime Minister Viktor Orban said recently. "We must preserve a healthy climate for business and commerce as we continue to move toward becoming a regional center in Central Europe."

In October, the United States announced the creation of a Hungarian-U.S. strike force against organized crime. The FBI also will train Hungarian and other East European police officers and provide forensic and laboratory assistance in investigations. An FBI forensic team worked on the Boros bombing. And, in critical cases, witnesses from Eastern Europe will be given new identities and lives in the United States through the federal witness protection program, officials said.

The mobs "are well-financed, fast-flung enterprises and ruthless," said Peter Tufo, U.S. ambassador to Hungary. "At least one of them was operating in the eastern United States."

Since 1995, the United States, in cooperation with Hungary, has run an International Law Enforcement Academy here. Staffed by federal law

enforcement officers, the academy, the first of its kind, has trained 2,500 police officers from the former Soviet Bloc on techniques such as how to run undercover operations.

Begun as an effort to teach democratic law enforcement and to build contacts between the United States and the nations of the former Soviet Bloc, the school is rapidly becoming a new kind of war college.

"The academy protects our national security," said Leslie Kaciban, an FBI agent who is the school's director.

FBI agents already are posted in 32 countries, and academies similar to the one in Budapest are planned for Thailand, South Africa and Latin America as part of the globalization of law enforcement.

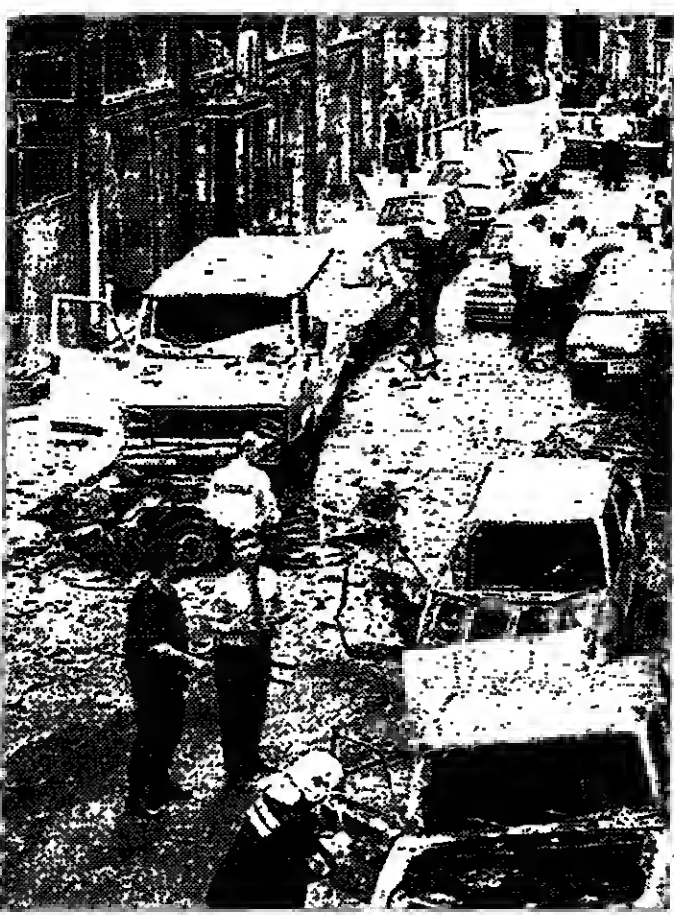
Bordered by seven countries — including Ukraine to the east, Serbia and Croatia to the south, and Austria, a European Union member, to the west — Hungary, by virtue of its geography, was a petri dish for crime. The conflict in the Balkans from 1992 to 1995 led to wholesale smuggling of guns, drugs and oil through Hungary, according to Mr. Miko. Trafficking in women from the East fueled Budapest's booming sex industry. And major car theft rings moved vehicles west to east.

At the same time, mobsters from the East moved to Budapest not only to be close to their "business," but also because of its quality of life — the same stunning architecture and fine dining that draw tourists attract gangsters.

**C**RIMINAL ORGANIZATIONS that set up shop in Budapest in the early 1990s benefited, in unintended ways, from the fall of communism, Mr. Miko said. The Hungarian police had almost no experience dealing with financial crime. And in the feverish early years of market reform, the Hungarian authorities could not keep up with the creation of new companies — some of which were shells to disguise criminal enterprises. The Hungarian company registration office is expected to announce this month that it has finally cleared the backlog of new filings for the first time since 1990.

Just as critically, after the fall of communism Hungary abolished phone tapping, electronic surveillance and the nationwide informant system, which had been abused by the Communist secret police. The ban extended to criminal investigations for four years before such techniques were restored with judicial controls, according to Mr. Miko.

The Hungarian police estimate that 200 criminal gangs, mostly Russian controlled, have established



A car bombing in Budapest in July that killed Tamas Boros, a mobster and police informant, underscored the city's role as one of the centers of international organized crime. Hungary has received help from the FBI to help it fight back.

themselves in the country, with a couple of dozen dominating. Many of the mob bosses, according to U.S. and Hungarian officials, are former Soviet KGB and military officers who created sophisticated and ruthless organizations.

Inevitably, turf wars ensued. And by 1996, violence began to spill onto the streets here. The Hungarian police have recorded 140 mob-related bombings, grenade attacks and killings since 1991, most in recent years.

In November 1996, an alleged mob leader, Jozsef Priztas, was gunned down and killed on a Budapest street. In August 1997, shots were fired into a disco, wounding a woman. Last February, a business magnate with alleged mob ties was assassinated with an automatic weapon as he sat in his car at a traffic light. A grenade was hurled at a bar the following month. And in June, shots were fired into a shop, wounding one person.

Mobsters killing mobsters, however, engendered a certain so-called attitude among the public, officials said. That changed in July when innocent people were killed, central Budapest was reduced to chaos and the tourist industry was threatened.

U.S. and Hungarian officials also said they expected several investigations to lead to arrests in the next year. "We are optimistic," said Mr. Tufo. "This will be a battle for Europe."

## U.S. Warns Libya Anew On Lockerbie Suspects

By Barbara Crossette  
New York Times Service

**UNITED NATIONS, New York** — Marking the 10th anniversary of the bombing of a Pan Am jet over Scotland, the United States has warned Libya that it would face more sanctions if two Libyan suspects are not turned over for trial by a Scottish judge in the Netherlands by February.

"Ten years is much too long to wait for justice," said Peter Burleigh, the American representative on the Security Council, which discussed the issue Monday.

In Libya, however, Colonel Moammar Gadhafi only widened the breach Monday, apparently rejecting the compromise plan for a trial in the Netherlands by saying that he wanted an international tribunal to hear the case. Earlier this month, Libya's national assembly seemed to endorse the plan for a Scottish trial after a personal appeal to Colonel Gadhafi from the UN secretary-general, Kofi Annan, who went to Libya on Dec. 5.

"An international court is the solution," Colonel Gadhafi told a Dutch television interviewer in a program taped last week and broadcast Monday in the Netherlands, "with judges from America, Libya, England and other countries."

At a ceremony at Arlington National Cemetery marking the bombing, President Bill Clinton said the plan to hold the trial in the Netherlands was "a take it or leave it" deal. "We will not negotiate its terms," he added.

Libya has refused for years to allow American or British courts to try the suspects in the bombing, which killed 270 people, including 11 on the ground in Lockerbie, the Scottish town where the plane came down.

In August, Britain and the United States offered the compromise of a trial in a third country, and the Netherlands agreed to allow a Scottish court to be set up for that purpose in Utrecht.

But Libya, under UN sanctions since 1992, continued to stall, raising a number of questions about the treatment of the suspects and where they would be imprisoned if convicted. British officials and the secretary-general's legal counsel, Undersecretary-General Hans Corell, replied exhaustively to the Libyans.

Sir Jeremy Greenstock, Britain's representative at the United Nations, said Monday that all the questions raised by Libya had been answered.

"These clarifications show that we have no hidden agenda and that we are acting in good faith," he said after the Council meeting Monday morning. "Our objective is simply a free and fair trial before the eyes of the world. If acquitted, the two accused would be free to return to Libya."

Arab diplomats say that Libya was concerned that the two suspects, Abdel Basset Ali Megrahi and Lamen Khalifa Fhimah, could be pressed by Western intelligence agencies or trial prosecutors to talk about more than Lockerbie.

Mr. Annan said again Monday he remained optimistic that Libya would eventually comply with the request to send the suspects to the Netherlands. But the signs from Libya seem to be pointing in another direction.

In February, the Security Council will review the sanctions on Libya, which include a ban on international air travel to and from the country, an arms embargo and a bar on the sale of spare parts for aircraft and the oil industry. The sanctions would be suspended immediately if the suspects were handed over.

By February, Mr. Burleigh said Monday, "the Libyan government will have had six months to accept the offer it long said it would accept."

"If by that time, the government of Libya has not handed over the suspects for trial before a Scottish court in the Netherlands," he said, "we will seek additional measures to compel compliance."

**■ Tehran Denies Involvement**  
Iran denied charges Tuesday by a German prosecutor that the Islamic republic had ordered the 1988 bombing of an airliner over Lockerbie. Reuters reported from Tehran.

"The Islamic Republic strongly and officially denies any such charges," said a statement issued by the Iranian embassy in Bonn and carried by the official Iranian news agency, IRNA.

It said the charges were baseless, unfounded and biased.

The Frankfurt prosecutor, Job Tillmann, told German television on Sunday that a former Iranian intelligence official had said the bombing was ordered and masterminded by Iran and not by Libya.

## TRAVEL UPDATE

## Threats Prompt Bonn To Use Dummy Trains

**BONN (Reuters)** — Germany has begun sending trains on dummy runs ahead of passenger services, after extortionist threats against the national railroad, the chairman of the rail workers' union said Tuesday.

The chairman, Manfred Schell, said the dummy trains were being used in the northeast, where several attacks have occurred. He said they carried crews and federal border policemen equipped with night-vision equipment. "These advance trains are making it absolutely safe for the passenger trains," Mr. Schell said on ARD television.

The high-speed track between Berlin and Hannover has been a favorite target of extortionists. The railroad said there had been four threats since Nov. 23.

**Palestinian Airline Starts Cairo Flights**  
**CAIRO (AP)** — The first commercial Palestinian flight to Egypt landed at Cairo's international airport on Tuesday, airport officials said.

The Palestinian Airlines flight, which carried 14 passengers, was met by the Egyptian minister of transportation, Suleiman Metwally. Palestinian Airlines will operate three flights a week between the two cities, an airport official in Cairo said.

The Musee d'Orsay in Paris was shut down by a strike Tuesday, its first closure by a labor action that began on Dec. 9. Previously, only the museum's gift shops had been shut.

Hungarian train services were disrupted Tuesday for a second day by a strike from 7 A.M. to 9 A.M., the state railroad company MAV said. (AP)

Singapore Airlines said it planned an alliance with Air Canada by next March to give both airlines better access to each other's markets. (Bloomberg)

## Fertility Therapy at Issue as Octuplets Cling to Life

By Tom Kenworthy  
Washington Post Service

**HOUSTON** — The first octuplets known to be born alive are clinging tenuously to life in a neonatal intensive-care unit as doctors watch for lung and heart problems and fertility experts question the wisdom of the "exuberant therapy" that could produce such multiple births.

The eight babies — six girls and two boys, as yet unnamed — remained in critical condition Tuesday at Texas Children's Hospital in Houston. Doctors said that, statistically, they had a good chance of surviving. But the newborns face a battle, they said, because complications are common in such cases.

"It's a day-to-day kind of thing," said Leonard Weisman, chief of neonatology at the hospital. "There could be days when things go well and days when they do not so well."

Dr. Weisman said that the major concern for most of the babies during the first week or two would be lung problems and flooding of heart arteries that were not yet fully developed.

The babies' pediatrician, Patti Sav-

rick, also was guarded. "We're very hopeful all of the babies will survive," she said, "but they're critically ill newborns, and we can't say for sure everything will be O.K."

The mother of the children, Nkem Chukwu, 27, was in stable condition after undergoing emergency surgery early Tuesday to control internal bleeding, caused by medication she had taken to prolong the pregnancy. She delivered seven of the octuplets by Caesarean section Sunday, 13 weeks early, at St. Luke's Episcopal Hospital.

Mrs. Chukwu had delivered the first baby vaginally 12 days earlier, on Dec. 8, after conceiving the octuplets with the help of fertility drugs.

"Hopefully, she'll not require more operations," said the anesthesiologist, Brian Kirshon, "and she'll be able to go home by the end of the week."

Good wishes flowed in from around the world. But away from the family, fertility experts called the event an embarrassment to their profession, citing the serious medical risks that multiple births — an increasing consequence of aggressive fertility treatment — pose to the mother and infants.

"Sometimes these multiple births are

taken as a victory for science," said Rodney Stulman, medical director of the Shady Grove Fertility Centers in Rockville, Maryland, "but they should not be taken that way."

"We hope and pray for the well-being of the mother and the children, but this is a serious side effect and consequence of exuberant therapy," he said.

Larry Lipschultz, a Houston urologist and head of the American Society for Reproductive Medicine, said that if too many eggs matured during treatments, it would be prudent to cancel fertilization.

"There's a certain level of ovarian stimulation above which I would cancel the cycle, and to proceed onward would be against medical advice," he said.

The seven babies born Sunday range in weight from 10.3 ounces (292 grams) — the size of a Beanie Baby — according to a hospital spokeswoman, Laura Floyd — to 1 pound 10 ounces. Dr. Savrick said that the first baby, 13 days old, was breathing without a ventilator and doing "remarkably well." At noon Tuesday, her weight was 1 pound 6 ounces.

The other babies were heavily sedated, on mechanical ventilation and being fed through stomach tubes, according to Ms. Floyd. Hospital officials said that three were receiving from 25 percent to 100 percent oxygen and that all were under plastic blankets on warming beds and receiving treatments to help prevent lung disease.

The father, Lyke Chukwu, a respiratory therapist at a Houston hospital, visited his wife and then spent much of the

afternoon at Children's near the babies. Officials said Mrs. Chukwu, who remained at St. Luke's, saw the babies briefly during delivery but would not be able to hold them for a while.

The Chukwu babies had the good fortune to be delivered next door to one of the preeminent neonatal intensive-care units in the country. This year the Texas Children's Hospital, the largest pediatric hospital in the United States, has cared for 250 high-risk premature babies, the hospital spokeswoman said.

Ms. Floyd said the unit was also now caring for a set of sextuplets, a set of quadruplets and at least five sets of twins born prematurely under conditions described as high-risk.

## WEATHER

## Europe

City	Today	High	Low	Forecast
Athens	12/13	15/20	10/15	Partly cloudy
Berlin	12/13	10/15	5/10	Cloudy
Bombay	12/13	25/30	20/25	Partly cloudy
Buenos Aires	12/13	15/20	10/15	Partly cloudy
Calcutta	12/13	25/30	20/25	Partly cloudy
Chennai	12/13	25/30	20/25	Partly cloudy
Delhi	12/13	25/30	20/25	Partly cloudy
Dhaka	12/13	25/30	20/25	Partly cloudy
Guwahati	12/13	25/30	20/25	Partly cloudy
Hyderabad	12/13	25/30	20/25	Partly cloudy
Kolkata	12/13	25/30	20/25	Partly cloudy
Madras	12/13	25/30	20/25	Partly cloudy
Mumbai	12/13	25/30	20/25	Partly cloudy
New Delhi	12/13	25/30	20/25	Partly cloudy
Patna	12/13	25/30	20/25	Partly cloudy
Seoul	12/13	10/15	5/10	Cloudy
Taipei	12/13	10/15	5/10	Cloudy
Tokyo	12/13	10/15	5/10	Cloudy
Yokohama	12/13	10/15	5/10	Cloudy

## Forecast for Thursday through Saturday, as provided by AccuWeather.

City	Today	High	Low	Forecast
Athens	12/13	15/20	10/15	Partly cloudy
Berlin	12/13	10/15	5/10	Cloudy
Bombay	12/13	25/30	20/25	Partly cloudy
Buenos Aires	12/13	15/20	10/15	Partly cloudy
Calcutta	12/13	25/30	20/25	Partly cloudy
Chennai	12/13	25/30	20/25	Partly cloudy
Delhi	12/13	25/30	20/25	Partly cloudy
Dhaka	12/13	25/30	20/25	Partly cloudy
Guwahati	12/13	25/30	20/25	Partly cloudy
Hyderabad	12/13	25/30	20/25	Partly cloudy
Kolkata	12/13	25/30	20/25	Partly cloudy
Madras	12/13	25/30	20/25	Partly cloudy
Mumbai	12/13	25/30	20/25	Partly cloudy
New Delhi	12/13	25/30	20/25	Partly cloudy
Patna	12/13	25/30	20/25	Partly cloudy
Seoul	12/13	10/15	5/10	Cloudy
Taipei	12/13	10/15	5/10	Cloudy
Tokyo	12/13	10/15	5/10	Cloudy
Yokohama	12/13	10/15	5/10	Cloudy

## Asia

City	Today	High	Low	Forecast
Athens	12/13	15/20	10/15	Partly cloudy
Berlin	12/13	10/15	5/10	Cloudy
Bombay	12/13	25/30	20/25	Partly cloudy
Buenos Aires	12/13	15/20	10/15	Partly cloudy
Calcutta	12/13	25/30	20/25	Partly cloudy
Chennai	12/13	25/30	20/25	Partly cloudy
Delhi	12/13	25/30	20/25	Partly cloudy
Dhaka	12/13	25/30	20/25	Partly cloudy
Guwahati	12/13	25/30	20/25	Partly cloudy
Hyderabad	12/13	25/30	20/25	Partly cloudy
Kolkata	12/13	25/30	20/25	Partly cloudy
Madras	12/13	25/30	20/25	Partly cloudy
Mumbai	12/13	25/30	20/25	Partly cloudy
New Delhi	12/13	25/30	20/25	Partly cloudy
Patna	12/13	25/30	20/25	Partly cloudy
Seoul	12/13	10/15	5/10	Cloudy
Taipei	12/13	10/15	5/10	Cloudy
Tokyo	12/13	10/15	5/10	Cloudy
Yokohama	12/13	10/15	5/10	Cloudy

## Africa

City	Today	High	Low	Forecast
Athens	12/13	15/20	10/15	Partly cloudy
Berlin	12/13	10/15	5/10	Cloudy
Bombay	12/13	25/30	20/25	Partly cloudy
Buenos Aires	12/13	15/20	10/15	Partly cloudy
Calcutta	12/13	25/30	20/25	Partly cloudy
Chennai	12/13	25/30	20/25	Partly cloudy
Delhi	12/13	25/30	20/25	Partly cloudy
Dhaka	12/13	25/30	20/25	Partly cloudy
Guwahati	12/13	25/30	20/25	Partly cloudy
Hyderabad	12/13	25/30	20/25	Partly cloudy
Kolkata	12/13	25/30	20/25	Partly cloudy
Madras	12/13	25/30	20/25	Partly cloudy
Mumbai	12/13	25/30	20/25	Partly cloudy
New Delhi	12/13	25/30	20/25	Partly cloudy
Patna	12/13	25/30	20/25	Partly cloudy
Seoul	12/13	10/15	5/10	Cloudy
Taipei	12/13	10/15	5/10	Cloudy
Tokyo	12/13	10/15	5/10	Cloudy
Yokohama	12/13	10/15	5/10	Cloudy

## Latin America

City	Today	High	Low	Forecast
Athens	12/13	15/20	10/15	Partly cloudy
Berlin	12/13	10/15	5/10	Cloudy
Bombay	12/13	25/30	20/25	Partly cloudy
Buenos Aires	12/13	15/20	10/15	Partly cloudy
Calcutta	12/13	25/30	20/25	Partly cloudy
Chennai	12/13	25/30	20/25	Partly cloudy
Delhi	12/13	25/30	20/25	Partly cloudy
Dhaka	12/13	25/30	20/25	Partly cloudy
Guwahati	12/13	25/30	20/25	Partly cloudy
Hyderabad	12/13	25/30	20/25	Partly cloudy
Kolkata	12/13	25/30	20/25	Partly cloudy
Madras	12/13	25/30	20/25	Partly cloudy
Mumbai	12/13	25/30	20/25	Partly cloudy
New Delhi	12/13	25/30	20/25	Partly cloudy
Patna	12/13	25/30	20/25	Partly cloudy
Seoul	12/13	10/15	5/10	Cloudy
Taipei	12/13	10/15	5/10	Cloudy
Tokyo	12/13	10/15	5/10	Cloudy
Yokohama	12/13	10/15	5/10	Cloudy

## Oceania

City	Today	High	Low	Forecast
Athens	12/13	15/20	10/15	Partly cloudy
Berlin	12/13	10/15	5/10	Cloudy
Bombay	12/13	25/30	20/25	Partly cloudy
Buenos Aires	12/13	15/20	10/15	Partly cloudy
Calcutta	12/13	25/30	20/25	Partly cloudy
Chennai	12/13	25/30	20/25	



## His Resignation Highlights Privacy Issue

\_\_\_\_\_

... I didn't think of the  
... of a million bucks. I just  
... believe that somebody would

**BRIE**

He did not like his first draft, wrote a second and was still not happy with it. "It lacked a punch line," he said.

## A Senior Democrat Who Could Lead the Way Warns the White House Not to Start Lobbying

Exactly how a compromise could be achieved with no real involvement by the

Now, four House Republicans who voted to impeach Mr. Clinton are urging the Senate to consider censure rather than removal from office. The four Republicans wrote the Senate majority leader, Trent Lott, Republican of Mississippi, urging a censure that "would impose a fine on black Americans."

Ken Johnson, a spokesman for Representative W.J. (Billy) Tauzin, Republican of Louisiana, said the lawmaker had talks with a half-dozen House colleagues who, like himself, voted for impeachment. Mr. Tauzin and the other lawmakers with him in the "aye" vote

# Pentagon Moves On Pay Increase

Monday would earmark additional raises for those officers and enlisted personnel whose experience and training have made them highly sought after in the civilian marketplace and who the Pentagon says have been quitting the armed services in droves.

Ken Johnson, a spokesman for Representative W.J. (Billy) Tauzin, Republican of Louisiana, said the lawmaker had talks with a half-dozen House colleagues who, like himself, voted for impeachment. Mr. Tauzin and the other lawmakers with him in the "aye" vote

## BRIEFLY

## Morris Publishes Agendas Of Clinton Strategy Talks

The agendas reflect Mr. Morris's polling-based approach to politics and suggest the degree to

## Pentagon Tripp-Spotting

Under her job, involving computer planning work on the Pentagon's annual Joint Civilian Orientation Conference, Pentagon officials confirmed Ms. Trim would be eligible for the pro-

## Pentagon Tripp-Spotting

WASHINGTON — Linda Tripp, taper of presidential inamorata, was back at her office in the

## Away From Politics

• A man in Bellefonte, Pennsylvania, received 15 to 32 years in prison for taking his estranged fiancée hostage at gunpoint and raping the woman, who married him 27 days later. (AP)

## A Great Location for Business Travellers

## A Passion for Perfection

Telephone: 70-878 259 01 01 Telefax: 90-878 259 01 05 Faxline: 0730 04 5055 Home: 0800 882 007  
 USA/Canada: 800 637 4477 UK: 0800 634 343 Japan: 8100 173056 Hong Kong: 2542 3399  
 www.theworld.com E-Mail: [travellers@theworld.com.hk](mailto:travellers@theworld.com.hk)

**WWW. PRIME SITES WWW**

List your website and e-mail address  
in our new **"Prime Sites"** section every Thursday.

***For Rates and Deadlines, contact:***

<b>Europe:</b>	<b>North America:</b>
<b>Sarah Wershof</b>	<b>Sandy O'Hara</b>
<b>Tel: (44-171) 420 0326</b>	<b>Tel: (1-212) 752 3890 or 800 572 7212</b>
<b>Fax: (44-171) 420 0338</b>	<b>Fax: (1-212) 755 8785</b>

**e-mail: [The\\_INTERMARKET@iht.com](mailto:The_INTERMARKET@iht.com)**

**Herald Tribune**

**THE WORLD'S DAILY NEWSPAPER**

Be ahead  
of your time



**“ROMA”  
Collection**

# Van Cleef & Arpels

In Zurich exclusively available at

# LA SERLAS

PARIS CANNES MONTE-CARLO GENEVE LONDRES NEW YORK PALM BEACH  
BEVERLY HILLS HONGKONG MOSCOW KOWEIT SEOUL PUSAN TOKYO OSAKA HONG-KONG



## ASIA/PACIFIC

# Heard in Manila: 'She's B-a-a-a-ck'

Imelda Marcos's Quest for Billions Could Shake Philippine Politics

By Mark Landler  
New York Times Service

MANILA — In the pre-Christmas bustle of this teeming city, a ghost of the Philippine past has suddenly re-emerged.

Imelda Marcos, the 69-year-old widow of the dictator Ferdinand Marcos, has announced that she plans to file a lawsuit to recover more than \$12 billion in assets that she claims belonged to her husband.

After insisting for years that her husband had not been a kleptocrat but a public servant who made other people rich, she declared in an interview with The Philippine Inquirer, "We own practically everything in the country."

It was a startling admission, even from a woman known for her theatricality. From people here, who have watched Mrs. Marcos laugh, weep, rant and hush into song for more than three decades, one could almost hear the collective reaction: "She's b-a-a-a-ck."

Of course, the former first lady has been back for a while. Since returning from exile in Hawaii in 1991, Mrs. Marcos has run for the House of Representatives and won, run for the presidency and lost, been convicted of graft by a Philippine court and been acquitted on appeal by the Supreme Court.

These days, she lives in a plush apartment in central Manila, where she holds court with a dwindling retinue of friends and hangers-on. More marginalized than ever, Mrs. Marcos has become virtually a caricature of herself, a loquacious woman sometimes referred to as the "Madwoman of Manila."

Now, though, Mrs. Marcos has caught everyone's attention again. Not only has she freely acknowledged that her husband had amassed vast business interests, but she is identifying the assets in question. She said that Mr. Marcos owned more than \$12 billion worth of shares in dozens of companies, including Philippine Airlines and Philippine Long Distance Telephone.

Mrs. Marcos said her husband had entrusted the shares to his close associates. Several of these friends went on to become the wealthiest business tycoons in the Philippines, and they came to epitomize the crony capitalism that took root here and in other Southeast Asian countries.

Mrs. Marcos told The Inquirer that the cronies to whom Marcos had entrusted his money became "so rich that they got too greedy."

"Now," she said, "they refuse to turn over the top firms that the Marcoses rightfully owned."

Mrs. Marcos's public comments have alarmed her daughter, Imee Marcos, who is a legislator from her father's old district. The younger Ms. Marcos said

her family was still anxious to reach a compromise with the government over her father's wealth. Her mother, she said half-jokingly, is "wild and crazy."

People here say Mrs. Marcos's claims will resonate in a country that is still struggling to move out of the long shadow of Ferdinand Marcos.

"Imelda's pronouncements have awoken people's consciousness about what was done under Marcos," said Bernardo Villegas, dean of the School of Economics at the University of Asia and the Pacific. "That's why, in a way, critics of the government are watching this case very closely."

Worries about cronyism have resurfaced under the new president, Joseph Estrada, a genial former movie star who has befriended some of the most notorious cronies of the Marcos era.

Mr. Marcos, elected president in 1965, was ousted in a popular revolt in 1986. He denied any wrongdoing and died in exile in Hawaii three years later.

Mr. Estrada recently interceded in some business deals in a way that has benefited his friends and supporters.

In one case, a Hong Kong company acquired control of Philippine Long Distance Telephone by buying \$781 million worth of shares from the

Cojuangco family, a business dynasty that was close to Mr. Marcos.

Mrs. Marcos has said the Cojuangco shares really belonged to Mr. Marcos, who gave them to Ramon Cojuangco in a trust. Mr. Cojuangco's son, Antonio Cojuangco, has challenged Mrs. Marcos to show proof.

Given the dubious provenance of so many fortunes here, some experts said Mrs. Marcos may have a case. But Sergio Osmena, a senator who was jailed by Marcos in 1972, said she risked more litigation with her claims. If the Marcoses owned so many shares, he asked, "why didn't they pay taxes on them?"

Few people take such a comment as a serious threat to the Marcos family. By one count, the government has filed 60 lawsuits against the Marcos family over the last 11 years, but has yet to win a conviction. Mr. Estrada favors a compromise under which Mrs. Marcos would return some assets to the government.

Several political analysts here said that Mrs. Marcos's disclosures were a sign of her self-confidence.

"Imelda has been acquitted by the Supreme Court," said Christian Monzad, a former chairman of the Philippine Election Commission, "and she may feel more comfortable with



Mrs. Marcos speaking before a Senate committee during an investigation into the wealth she claims her husband's cronies are keeping from her.

the current administration."

Mrs. Marcos has retained the law firm of Senator Juan Ponce Enrile, who was her husband's Defense Secretary but who turned on him when the "People Power" movement began to gather momentum against his boss. Whatever the reaction to her claims, Mr. Enrile is not

taking any chances. After several days of incendiary quotes in The Philippine Inquirer, he imposed a gag order on her.

"She gets herself into trouble whenever she opens her mouth," said one of her advisers, passing along the news that, incredibly, Imelda Marcos did not want to talk.

## POLICY: Clinton Approach Is Criticized

Continued from Page 1

crat of California, has long been among the harshest critics of China in Congress. She said the prison sentences given to Mr. Xu and Mr. Wang were "the clearest demonstration" since the presidential visit of Beijing's "true intentions regarding human rights."

"They are pathetic, really pathetic," she said of China advocates in the U.S. government. "The administration can say what it wants, but it must know Monday that its policy on China is an embarrassment. What the Chinese have learned is that they have all the latitude in the world."

Mike Jendrzeczyk, Washington director for Human Rights Watch, said the jail terms were proof of the need for the United States to revise its China policy, which he described as driven "almost entirely" by its desire to encourage trade.

Human Rights Watch, the largest U.S.-based human-rights group, said the United States should consider postponing or canceling a visit to China early next year by Commerce Secretary William Daley and a high-level trade delegation to protest the sentences.

"That would get Beijing's at-

tention," Mr. Jendrzeczyk said. Other China experts and scholars insisted that the policy of engagement was right and that there was reason to believe political reform would follow economic reform, as the president has argued.

Peter Rodman, an official in the Nixon and Reagan governments who is now at the Nixon Center in Washington, said the harsh sentences were to be expected, especially since the men had been involved in trying to set up a political party to challenge the Communists.

"The pattern of this regime is that, every once in a while, they ease up a bit and somebody goes too far, and there's a crisis," he said. "I don't think you can blame the United States for this crackdown, nor can you give us credit for any political reforms."

"On human rights, I just don't think there's much more we can do," he said.

Mr. Wang, a leader of the 1989 Tiananmen Square protests; Mr. Qin, who started the first domestic human-rights bulletin, and Mr. Xu were among the dissidents trying to form the first opposition political party in China.

Mr. Xu, a veteran of the Democracy Wall protests of 20 years ago, has already served a 15-year term for advocating democracy then.



Liu Nianchun, left, a dissident, with his wife, Chu Hailan, at a news briefing at the headquarters of a human-rights organization in New York, after he was released from prison in China and exiled.

## DISSIDENT: China Assails U.S.

Continued from Page 1

predicted that a political tightening would occur in the next year when China will commemorate three important anniversaries: the 10th anniversary of the crackdown around Tiananmen Square, the 50th anniversary of Communist China's founding and the 80th anniversary of the May 4th Movement, which established the tradition of Chinese student activism. Chinese set great stock in anniversary celebrations and the Communist Party is said to be afraid that activists will start protests.

For example, Luo Gan, the secretary of the party's Central Political Science and Law Committee and a key security official, said that China "is determined to maintain its high profile campaign of safeguarding social and political stability through 1999."

"We must crack down on crimes that threaten national security," he said Monday at a conference planning public security tasks for 1999, "and do everything to maintain stability in rural areas."

Also in recent months, China has moved to make it harder to form non-governmental organizations outside the control of the Communist Party, and it has tightened labor regulations, rendering almost impossible the creation of an independent labor union.

On Tuesday, the state-run New China News Agency issued an article by Ren Yanshi on the verdicts. Mr. Ren has made a name for himself writing reports criticizing human rights in America.

Mr. Ren said the use of word "crack-

## BRIEFLY

### Suharto Son-in-Law Becomes Jordanian

JAKARTA — The son-in-law of former President Suharto, a former special forces commander whose troops are under investigation for a spate of abductions and torture, has been given honorary Jordanian citizenship.

Prabowo Subianto, a former lieutenant general and commander of the Kopassus commando force, was honorably discharged from the service Dec. 10 after accepting responsibility for kidnapping and torture of political activists opposed to Mr. Suharto's regime.

The state-run Antara press agency confirmed independent reports Tuesday that Mr. Prabowo, once the youngest and one of the most senior army commanders in the Indonesian military, had been made an honorary Jordanian.

Mr. Prabowo has been living in the Jordanian capital, Amman, for the past four months, according to his brother, Hashim Djojohadikusumo.

Eleven members of the Kopassus special forces will go on trial in a military court on Wednesday in connection with the abduction and torture of political activists this year. Nine of the abduction victims are still alive, one has been found dead and 13 others are still missing. (NYT)

### Thai Army Helps With Toxic Mess

SIHANOUKVILLE, Cambodia — Toxic waste experts from the Thai Army arrived in this seaport town Tuesday to help 400 Cambodian troops clean up an illegal waste shipment from Taiwan.

A steady, two-hour rain dampened the 3,000 tons of waste, believed to be compressed industrial ash, raising fear among Environment Ministry officials that dangerous chemicals could seep into ground water.

Plastic tarps that were supposed to have been stretched over the waste to prevent such problems were not in place in time.

The experts from Thailand, including chemists and on-call technicians, passed Geiger counters over the waste, dumped about 10 kilometers (6 miles) north of Sihanoukville two weeks ago, and determined that it was not radioactive. (AP)

down" by Western media was a distortion. The truth, he said, was that Mr. Xu, and other dissidents, had violated Chinese law.

He added that it was wrong to term the verdicts against the three dissidents a violation of human rights because it was merely "a normal judicial action."

## MALAYSIA: Government Plans to Modify Financial Controls

Continued from Page 1

Composite Index doubling. The package of controls, which the government insists are temporary measures, has been presented as an alternative to IMF restructuring plans now in place in neighboring Thailand and Indonesia.

As part of a package, Malaysia cut interest rates and banned trading of its currency overseas, pegging the ringgit at 3.8 to the dollar.

The controls drew criticism from top officials at the U.S. Treasury, although the International Monetary Fund on Monday declared that the controls had "neither hurt very much nor helped very much."

"Why are people so concerned?" Mr. Daim asked on Tuesday. "I think the biggest fear is that if we succeed, others will copy." So far, the government says the controls have yielded positive results. The central bank's foreign reserves, Mr. Daim said, are up by nearly

\$5 billion to \$25 billion, while the current-account balance has registered a healthy surplus. Imports are declining, and exports are creeping up.

Critics of Malaysia's controls say these trends are also occurring in countries that have not imposed capital controls, and that by keeping Malaysia's economy artificially sheltered, it could face problems later on when controls are lifted.

When asked whether Mr. Mahathir

was likely to appoint a new deputy prime minister to replace Anwar Ibrahim, who was dismissed in September, Mr. Daim said, "Yes, although he would prefer to let members of his party elect one."

Asked to comment on the IMF's latest forecast that Malaysia's economy would contract by 7.5 percent this year and by 2 percent in 1999, Mr. Daim offered his own forecast, of a 6 percent contraction in 1998 and of a small recovery during the course of next year.

### RECRUITMENT

Appears every Monday in The Intermarket.  
To advertise contact Sonya Broadhead in our London office  
Tel.: +44 1 71 420 0325 / Fax: +44 1 71 420 0338  
or your nearest IHT office or representative.

**Herald Tribune**

THE WORLD'S DAILY NEWSPAPER

### INTERNATIONAL PORTRAIT PAINTING COMPETITION

#### ATATURK ON THE 75TH ANNIVERSARY OF THE REPUBLIC OF TURKEY



### Milliyet,

Turkey's leading daily newspaper, is proud to announce the winners of the recent portrait painting competition.

**First Prize - US \$15,000**  
Mr. Zeer Bendor from Jerusalem

**Second Prize - US \$10,000**  
Mr. Mehmet Mahir from Istanbul

**Third Prize - US \$5,000**  
Ms. Hamiyet Uslu from Istanbul

For further information please contact:

Ms. Muzaffer Tan,  
Milliyet Gazetecilik A. Ş.,  
Dogan Medya Center,  
Bagcilar/Istanbul, Turkey  
Tel.: +90 212 505 61 11  
Fax: +90 212 505 62 37



★  
To  
all our  
Sponsors,  
Speakers and  
Delegates, and to  
those who have worked  
with us throughout the  
year.

Season's Greetings  
and Best Wishes  
for the New Year

from the London Conference Office of the International Herald Tribune

For further information on events in 1999, please fax us on:  
(44 171) 836.0717 or E-mail us at summit@iht.com



THE WORLD'S DAILY NEWSPAPER



London. Tokyo. New York.



And one bank.

Three former competitors are soon to become associates. Beginning on 1 January 1999, the LG Landesgirokasse, Südwest LB and L-Bank will be joining forces to serve their customers worldwide. Over 9,000 employees now have one common goal: Service. Your new bank in Germany. For further information: Landesbank Baden-Württemberg, Postfach 10 60 49, D-70049 Stuttgart, or on the Internet under [www.landesbank-bw.de](http://www.landesbank-bw.de).

Landesbank Baden-Württemberg



## INTERNATIONAL

## China Reverses Course, Allowing Global Balloonists to Fly On

**LONDON** — China agreed to let a round-the-world balloon expedition to continue crossing its territory Tuesday, rescinding an order that it land in rugged Himalayan terrain, the expedition organizers said.

The project director, Mike Kendrick, said he had given the news to the three-man crew.

"Gosh, maybe they can start enjoying this flight now," he said.

Mr. Kendrick said the Chinese granted permission on condition that the ICO Global Challenge balloon leave prohibited airspace as soon as possible.

"We are going to look for the fastest, most direct route out of China, which is what the balloon wants to do anyway, so we're happy to comply with that one," Mr. Kendrick said.

The landing order threatened to end the round-

the-world dreams of Richard Branson of Britain, Steve Fossett of the United States and Per Lindstrand of Sweden.

With the diplomatic crisis apparently resolved, Mr. Kendrick said the crew now had a problem of using up a large amount of fuel keep the balloon flying over the Himalayas.

"We are doing the fuel calculations now. We have taken a long time to get where we are, clawing across the Himalayas," he said. "We have used more fuel than we would have expected. We are going to have to assess the situation."

The crew had been given permission to cross China below 26 degrees north latitude, but drifted further north after navigating around Mediterranean storms and closed airspace over Iraq, Iran and Russia.

Earlier in the day, Zhu Bangzao a Foreign

Ministry spokesman, said China could not agree to the balloon's northerly course, but he did not call on the crew to withdraw immediately or land.

Organizers of the expedition apologized, saying they were trying to head south as quickly as the wind and weather permitted.

Mr. Kendrick said Chinese air traffic controllers were informed the moment the balloon passed over the border, with an apology added to the communication. The balloon team continued to contact them every 15 minutes to keep the Chinese informed about their position.

In February, China withheld permission for a European balloon team to fly through its airspace, forcing them to land and end their around-the-world bid.

As it became apparent early Monday that the balloon would inevitably cross into unauthorized

Chinese territory, Prime Minister Tony Blair sent a message to Prime Minister Zhu Rongji of China asking for China's help.

The ICO Global balloon had already run into trouble on its trip. Libya unexpectedly revoked permission to enter its airspace, but the situation was resolved shortly before the three-man crew flew over the country Saturday.

Then, after steering around thunderstorms near Cyprus, the crew had to maneuver the 270-foot (82-meter) craft through narrow gaps between no-fly territories, including Iraq.

The crew members estimate the trip could last from eight days to nearly three weeks. They hope to touch down somewhere in western Europe at the end of a 24,000-mile (38,000 kilometer) flight, which will take them over India, the South China sea, the Pacific and the United States.

## U.S. Supports Higher Iraqi Oil Sales

**But Washington Resists Tampering With UN Arms Inspection Team**

**WASHINGTON** — The United States said Tuesday that it favored increasing the amount of oil Iraq can export to buy food, if a UN humanitarian mission concludes that Iraqi civilians are in need.

Undersecretary of State Thomas Pickering also said it would be a serious mistake to tamper with the structure of Uncom, the UN Special Commission set up to disarm Iraq.

At a briefing on policy toward Iraq after last week's American and British attacks, the offer of an expanded food-for-oil program was Mr. Pickering's

only concession to international concern for the welfare of Iraqis.

"Oil-for-food," Mr. Pickering said, "would be the one area where we could see perhaps the possibility of more forward movement, particularly if the humanitarian report indicated there was a greater need for food."

He noted that with the decline in the world price of oil, Iraq could not buy as much food at the same export level.

"I think that there's a possibility out there of expanding it if the secretary-general and his experts believe there is a need for expansion," he added.

Under the present program, Iraq can export oil valued at up to \$5.2 billion in each six-month period to buy food, medicines and other humanitarian supplies under close UN supervision.

But in practice, Iraq has not been able to export enough oil because its oil industry is in a poor state of repair.

Diplomats at the United Nations say the United States has blocked approval of some spare parts for the industry, contributing to the shortfall in production and exports.

But Mr. Pickering blamed Iraqi negligence and the propaganda value to the Iraqi government of letting Iraqis suffer.

"Habitually, the Iraqis have been slow in pumping oil and slow in exporting it," he said, "and that does make an impact on the issue of food availability, which is one of the reasons why we want to examine that again now."

"They either haven't bought on to the program or are very, very negligent in implementing it. They bear the responsibility," he added.

On Uncom's future, Mr. Pickering said Iraq faced a choice between economic sanctions in perpetuity and compliance with UN Security Council resolutions that give Uncom a mandate to dismantle its programs to develop weapons of mass destruction.

Earlier Tuesday, the White House said the United States was willing to use its veto power in the Security Council to keep the economic sanctions in place.

An Iraqi military spokesman, meanwhile, asserted that "enemy" warplanes had fired two missiles against southern Iraq on Tuesday.

"Enemy planes violated" Iraqi airspace twice before launching the missiles, he told the official Iraqi press agency INA, asserting that the flights were "part of a plan aimed at damaging Iraq and its people."

A spokesman for the Royal Air Force in Kuwait denied that British forces had fired on Iraq on Tuesday.

A U.S. military spokesman in Kuwait was not available for comment.



Darleen Biseau, a UN humanitarian worker on the oil-for-food program in Iraq, giving a friend a good-bye hug on Tuesday as she prepared to leave the airport in Amman, Jordan, to return to the Iraqi capital.

## Pentagon Criticizes 'Ramadan Present'

**WASHINGTON** — The Pentagon says it was distressed to learn that a U.S. serviceman scrawled the words "Here's a Ramadan present," a reference to the holy Islamic month of fasting, on a missile before it was fired at Iraq last week.

During a four-day attack on Iraq that ended Saturday, a wire service photographer took a picture of an Iraq-bound missile carrying several inscriptions, including one that said, "Here's a Ramadan present from Chad Rickenberg."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S.



EUROPE

# As Forces Prepare, the Fear in Kosovo Is of 'War Everywhere'

By Mike O'Connor  
New York Times Service

PERANE, Yugoslavia — Yugoslav forces and ethnic Albanian rebels seem to be gearing each other into a major new round of fighting, with the people of Kosovo and the Western countries able to do little more than watch.

Military and police units have been on the move in the last few days. Long convoys, including tanks and armored personnel carriers, are leaving bases where the government had promised their forces would remain and are putting men in new positions or taking territory from the rebels.

The rebels, who moved into many areas vacated by the Serbs in October, are stepping up the recruiting and training of fighters and are obtaining large amounts of military gear, according to diplomats.

In the last week, eight Serbs have been slain. Serbs are convinced that the rebels are responsible and many are threatening to take their revenge against ethnic Albanian civilians.

The North Atlantic Treaty Organization's supreme commander in Europe, General Wesley Clark, and senior U.S. diplomats went to Belgrade on Monday to tell senior Yugoslav officials to rein in their forces.

But many Western diplomats in Yugoslavia say they doubt that they can stop renewed combat on a large scale, even though it had been held that the harsh Balkan winter would prevent any new conflict. The chief Western diplomat in Kosovo, William Walker, an American, is more optimistic than others. Still, he said there was not much the West could do except try to persuade the rebels and the government to act peacefully.

"I hope no one is overestimating the tools at our disposal," Mr. Walker said. "We don't have many."

In a month or so, as many as 2,000 international observers are scheduled to be on the ground in Kosovo, monitoring

each side and trying to ease tensions. Now, however, there is a question whether war will break out before most monitors are in place.

A senior Western diplomat, referring to the rebel-run Kosovo Liberation Army, said: "The government's decided enough is enough; the KLA is out of control. If the government responds the way it seems to be getting ready to do, then the monitors will have to get out because there'll be war everywhere."

On Monday in Perane, six tanks were involved in combat with rebel forces that recently moved into the area. The tanks left their base over the weekend for what the government called a training exercise.

The rebels are entrenched up on the hills near the fighting and the main road to the provincial capital, Pristina.

The fighting in Perane, along with the appearance Monday of heavily armed Serbian paramilitary police on nearby roads, comes after a police official was shot and killed as he walked to work Monday in a neighboring town.

None of this was supposed to happen after President Slobodan Milosevic, under threat of NATO air strikes, agreed in October to stop offensive operations and withdraw many of his forces from Kosovo. Diplomats, led by Americans, thought that if the government halted its attacks, the rebels would honor a ceasefire, allowing negotiations.

But negotiations have made little progress. Most ethnic Albanians, who make up more than 90 percent of Kosovo's population, want independence. The government is offering limited autonomy, and there are deep divisions among ethnic Albanian political leaders over what level of autonomy would be acceptable. Rebel leaders generally feel that they can win independence through war.

On Saturday, as the deputy mayor of Kosovo Polje, a few kilometers west of Pristina, was found by the roadside shot to death, Miroslav Mijalovic, one of the 1,000 or so residents of the village of Velika Hoca, was welcoming guests to his home. It was his family's annual ceremony in homage to its patron, St. Nicholas.

Dishes of potatoes, sweet peppers, cabbage rolls, fish and cookies nearly overflowed the long table as people tried to find solace in talk of religion and tradition. But it did not work, because they said they could feel Kosovo sliding quickly into war.

"The people are not to blame for what is coming, not the Serb people or the Albanian," Mr. Mijalovic said. "Everyone wants what we had before, peace. But there are leaders on both sides who are setting a fire."

Historically, Serbs and ethnic Albanians have been very close in the area of western Kosovo around Velika Hoca. But now, the guests said, they are terrified by the rebel fighters they see on the hills around the village.

The two peoples were so close that one guest, the Serbian mayor of the city of Orshovac, 5 kilometers away, said one of his best friends was the man who is now the rebel commander for the area.

"When he started his chicken farm, he came to me for the money to buy the first load of chicken feed," said the mayor, Andjelko Kolosinac.

"We are at the limits of our patience," he added. "The West must put enough pressure on the KLA that they stop what they are doing. Otherwise what I see coming will not be stopped."

## Russia Again Postpones Ratification of START-2 But Moscow Sends Ambassador Back to U.S.

By David Hoffman  
Washington Post Service

MOSCOW — The lower house of the Russian Parliament has delayed consideration of the 1993 START-2 strategic arms reduction treaty until its spring session out of anger over the U.S. and British bombing of Iraq, the speaker, Gennadi Seleznev, announced Tuesday.

But Russia also announced that it was returning Ambassador Yuri Vorontsov to Washington on Wednesday. He was recalled to Moscow for consultations last week as a protest over the U.S. bombing campaign. Ambassador Yuri Fokin, who was recalled from London, remains in Moscow.

One reason for the quick attempt to solve the irritation over Iraq is that the Russian budget for next year has a \$4.5 billion gap and Moscow needs the International Monetary Fund to help patch it with debt relief or new loans. Russian officials have been careful not to prolong a spat with the United States, which is seen as a major influence on the IMF. Russia expects the IMF to send a new delegation to Moscow in January for talks on the economy.

The chamber, the State Duma, which is dominated by Communists and nationalists, has delayed START-2 ratification for almost six years. But in the weeks before the Iraq attack it was seen as moving toward a vote, under pressure from the government of Prime Minister Yevgeny Primakov.

The U.S.-Russian treaty would reduce the number of warheads on each

side to between 3,000 and 3,500, almost half the levels allowed under the current START-1 treaty.

Russia's nuclear arsenal is falling way below START-2 levels because of obsolescence and lack of money. In both Russia and the United States, many advocates say the treaty would lead quickly to a follow-on agreement for still deeper cuts, bringing both countries down to levels closer to the reality in Russia's shrunken arsenal.

Without the treaty, Russia's nuclear arsenal is expected to fall below 1,000 warheads within years from now as missiles, submarines and bombers are retired, while the United States would be entitled to remain at previous levels of about 6,000 warheads.

But the pact has become something of a whipping post for anti-American sentiment, which boiled up during the bombing of Iraq last week.

"By giving the order to bomb Iraq, the U.S. president and British prime minister raised a serious obstacle on the path to ratification of START-2," said Mr. Seleznev, a Communist. "We have stopped discussing the document."

Other members said the ratification had been set aside for the spring session. "This, of course, does not guarantee its ratification or its discussion in the spring," said Vladimir Ryzhkov, a deputy speaker and member of the centrist Our Home Is Russia bloc. "It is simply an indication of intent to continue to work on the international treaty."

Roman Popkovich, chairman of the Defense Committee and a backer of the



President Boris Yeltsin speaking Tuesday at a Kremlin ceremony. Despite warnings that Russia is headed for economic collapse, Mr. Yeltsin said the country had weathered the worst and was ready to prosper.

treaty, was quoted by the RIA news agency as saying that the delay was not because of the attack on Iraq, but to allow more time to study documents on the future of Russia's strategic forces. "Russia is more than anyone interested in the pact," he said.

U.S. officials had hoped that a

December ratification vote would pave the way for opening talks on the next treaty in January when Secretary of State Madeleine Albright is planning to come to Moscow. Restrictions imposed by the U.S. Congress say that formal negotiations cannot begin until the treaty is ratified.

## British Aide Is Under Fire Over a Loan

The Associated Press

LONDON — Trade Secretary Peter Mandelson said Tuesday that he had done nothing wrong in accepting a large loan from colleague who is now under investigation by Mr. Mandelson's department.

The Guardian newspaper said Tuesday that Mr. Mandelson, a close associate of Prime Minister Tony Blair, received a loan of £373,000 (\$627,000) in 1996 from Geoffrey Robinson, a fellow legislator who is now the paymaster general. Some of Mr. Robinson's business interests are under investigation by the Department of Trade and Industry.

Conservative Party officials attacked Mr. Mandelson, but he said: "I am absolutely sure I have done nothing wrong."

Mr. Mandelson, 45, was the main strategist of the Labour Party's victory in the 1997 election.

Mr. Robinson, 50, has been a generous backer of the Labour Party, and in 1996 he bought New Statesman, a weekly political journal which supports Labour. He had to apologize to a number of Conservative members of his business interests, and has been criticized by opposition lawmakers for sheltering some of his assets in offshore trusts which are not subject to British taxation.

Mr. Mandelson did not disclose the loan when he was appointed trade secretary earlier this year, and informed Mr. Blair of the loan last week, The Guardian said.

"We need to know what strings are attached," said John Redwood, a Conservative lawmaker. "We need to know if Mr. Robinson has bankrolled other senior members of the government."

Peter Lilley, a Conservative former trade secretary, said the loan should have been disclosed as soon as Mr. Mandelson assumed his present post.

"The first thing that happens when you are appointed is the permanent secretary, the head civil servant, asks you to know all your interests, all your assets and liabilities. Peter Mandelson, it appears, did not tell him the truth," Mr. Lilley said.

Mr. Blair's office said he was confident that Mr. Mandelson had been "properly insulated" from any decision by department officials related to Mr. Robinson's business interests.

In an interview on BBC Tuesday, Mr. Mandelson said the loan was a "personal arrangement made by two friends and colleagues."

## Bonn Partners Spar Openly on Nuclear Energy

Agence France-Presse

BONN — In the first public dispute in his center-left coalition, Chancellor Gerhard Schröder on Tuesday warned his environment minister, Jürgen Trittin, to toe the government line on abandoning nuclear energy.

Earlier Tuesday, Mr. Trittin unilaterally dissolved two commissions set up to advise the government on the nuclear industry ahead of consultations with power companies on abandoning nuclear energy.

Mr. Schröder moved to quash this insubordination immediately, saying in a bulletin that Mr. Trittin's "decision was not reached in agreement with the chancellor."

He warned that he would seek to the agreement to renege the northern Norwegian port of Narvik from the Germans in 1940. The expedition was recalled after France's defenses against the Germans collapsed, and Mr. de Gaulle ended up stranded with the other French officers near Manchester, England.

Though his wife and family were still in France, Mr. de Gaulle decided to stay in Britain and, on July 1, 1940, found the headquarters that de Gaulle had set up in London, and volunteered for whatever duty the general might see fit to give him.

He emerged from a brief meeting with the job of organizing the Free French operational and intelligence organizations.

"Nothing had prepared Passy for this unprecedented mission," de Gaulle wrote in his memoirs, "but I preferred it that way."

Mr. de Wavrin and three lieutenants picked their Resistance pseudonyms from a map of the Paris Metro. He chose Passy, the name of a station near his home in the 16th Arrondissement, and decided to concentrate on the intelligence part of the assignment de Gaulle had given him.

Working out of a three-room suite at the Resistance's London headquarters at 4 Carlton Gardens, Mr. de Wavrin and his men scoured military camps and hospitals in southern England to recruit volunteers for a service that had to be built from scratch.

Slowly, with skeptical help from the British and despite fierce rivalries within de Gaulle's organization, Mr. de Wavrin's group began sending agents across the English Channel in boats.

important component of the coalition." The governing partnership joins the Social Democrats of Mr. Schröder and the Greens, whom Mr. Trittin leads.

It was the most dramatic rend to the split between the men over abandoning nuclear energy.

The coalition government that took power less than two months ago called for abandoning nuclear energy but set no date. It said there would be a year of talks with the power industry before setting one. But it said that a law on the principle of abandonment would be passed within 100 days of the government's taking power Oct. 27.

Mr. Schröder, who has made his career as a leftist by taking business interests into account, has stressed compromise with the nuclear industry and has dismissed a Greens deadline of 2004 as "absurd."

He is reported to want to give nuclear-energy companies 20 to 40 years to close down their plants.

The nuclear industry, which supplies a third of the electricity in Germany, has said that closing its 19 atomic plants would cost 88 billion Deutsche marks (\$52 billion).

It says the closures eventually could eliminate 150,000 jobs, even though the 19 plants employ only about 400 people each, according to Winfried Mathes, a utilities analyst at Deutsche Bank.

The chancellor also has said that international contracts on reprocessing German nuclear fuel must be honored, even though the environment minister wants all reprocessing to stop immediately.

The government last week postponed until mid-January plans to present the draft bill banning nuclear energy.

The government last week postponed until mid-January plans to present the draft bill banning nuclear energy.

The government last week postponed until mid-January plans to present the draft bill banning nuclear energy.

## 'Colonel Passy' of French Resistance Dies at 87

By Craig R. Whitney  
New York Times Service

PARIS — Andre de Wavrin, the "Colonel Passy" who forged a Resistance intelligence network for Charles de Gaulle in World War II, died at his home in Paris on Sunday, friends said. He was 87.

Born in Paris in 1911 and a graduate of the Ecole Polytechnique, the leading French engineering school, Mr. de Wavrin was a 29-year-old captain-teaching fortifications at the military academy of Saint-Cyr when war broke out.

He first saw action in a British-French expedition to retake the northern Norwegian port of Narvik from the Germans in 1940. The expedition was recalled after France's defenses against the Germans collapsed, and Mr. de Gaulle ended up stranded with the other French officers near Manchester, England.

Tall, with piercing blue eyes whose constant scanning unnerved many who dealt with him, Mr. de Wavrin soon built up a roster of enemies almost as long as those of his agents.

His enemies accused him of operating a small-scale Gestapo office in London, complete with dungeons for the uncooperative. The American historian Gordon Wright later wrote, and Mr. de Wavrin was accused (falsely, he insisted) of having been associated with an extreme-right subversive organization, the Cagoule, before the war.

There were setbacks, notably the failure of a mission with de Gaulle to Dakar, Senegal, in 1940 to try to persuade the French garrison there to rally to the Resistance.

"We had practically no means, while the English had everything," Mr. de Wavrin wrote, and that included the radios on which his organization depended for contact with agents in occupied France.

To prevent the British from eavesdropping, Mr. de Wavrin established a separate French code. Annoyed, the British started delivering the messages to him only at midnight. He retaliated by summoning British secret service officials to his headquarters to receive inconsequential messages at odd hours of the night.

"Miraculously the telegrams began to arrive at more normal hours," he related later.

But in 1942 and 1943 his Bureau Central de Renseignements et d'Action attracted people in France like Jean Moulin, who were disaffected with the Vichy occupation regime. Mr. Moulin, later a martyred hero, was part of a group that worked to unify all the various strands of the Resistance, under de Gaulle's leadership.

Mr. de Wavrin himself parachuted into Britain in August 1944 and helped take charge of a force of 2,500 Resistance soldiers operating with advancing American units. The force captured 2,000 prisoners.

Decorated with the Grand Cross of the Legion of Honor in 1981, Mr. de Wavrin was later a banker with the private Banque Worms and a director of several French companies.

Sir Alan Lloyd Hodgkin, 84, Biophysicist Who Won a Nobel

NEW YORK (NYT) — Sir Alan Lloyd Hodgkin, 84, an English biophysicist who shared the Nobel Prize in Physiology or Medicine in 1963 for helping to explain how nerve cells transmit impulses between the skin to the brain, died Sunday.

London newspaper reports, quoting his family, said he died after a long illness at home in Cambridge, where he was long associated with Trinity College.

Sir Alan shared the prize in 1963 with Andrew Fielding Huxley, a fellow Briton, and John Carew Eccles, an Australian.

Sir Alan and Mr. Huxley, working together with the giant nerve fibers of squids, succeeded in devising a system of mathematical equations describing the nerve impulse. Based on their results, Mr. Eccles showed what happened when the nerve impulse arrived at the synapse, or contact point, of the next cell.

**DO YOU LIVE IN FRANCE?**

• Subscribe and SAVE up to 60% off the cover price.

• Also available: PAY MONTHLY by easy, low cost, direct debit.

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

**Herald Tribune**

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Department TOLL FREE 0800 4 448 7827 (0800 4 IHT SUBS) or Fax: 01 41 43 92 10 E-mail: subs@iht.com Internet: http://www.iht.com

**PAYMENT BY MONTHLY DIRECT DEBIT**

☐ YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

**PAYMENT BY CHECK OR CREDIT CARD**

☐ YES, I'd like to subscribe and pay for the following term:

☐ 12 months (+ 2 months free): FF1,950 (Savings off cover price: 46%)

☐ Special 2-month trial subscription: FF210 (Savings off cover price: 60%)

☐ My check is enclosed (payable to the IHT)

☐ Charge my: ☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ Mastercard ☐ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card N°: \_\_\_\_\_ Exp: \_\_\_\_\_

Signature: \_\_\_\_\_

☐ Please start delivery and send invoice.

Family Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Mailing Address: ☐ Home ☐ Business \_\_\_\_\_

City: \_\_\_\_\_ Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Your VAT N° (Business orders only): (IHT VAT N° 747 370 211 261)

I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other (please fully screened companies.)

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to: Subscriptions Director, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex. Fax: 01 41 43 92 10 E-Mail: subs@iht.com

**READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:**

EUROPE, MIDDLE EAST & AFRICA Tel: +33 1 41 43 93 61 Fax: +33 1 41 43 92 10

THE AMERICAS Tel: (USA toll free) 1-800-852-2884 Fax: +1 212 755 8785

ASIA Tel: +852 29 22 11 71 Fax: +852 29 22 11 99



## EDITORIALS/OPINION

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## A Political Resolution

The White House is said to be considering making the argument that last week's impeachment resolutions expire with the 105th Congress, meaning that the new Senate would have no articles of impeachment legitimately before it when it convenes next year. That is absolutely the wrong approach to the problem that the president's misconduct forces the country to face. We do not mean by this to comment on the complicated merits of the argument. Our point is simply that, as a matter of choice, of policy, the president would do a huge disservice in pursuing it.

It does not help either him or the country for him to prolong the proceedings that will begin in the Senate next month. That is true even if you believe, as we do, that the House should never have let it get this far in the first place. Nor does it help for him to survive those proceedings on a narrow point of law, however significant in other respects that point may be.

This is not a case for legalistic argument anymore. It is time to sit the lawyers down. We have had enough of the distinction between perjury and "mere" lying under oath, as if the latter were somehow less reprehensible. We have had enough — too much — of answers in which the elected leader of the country debases himself and his office by saying it depends on what "is."

The need is for a political resolution of the problem posed by the president's lies — the problem of whether and on what terms he should be allowed to complete his term. It should be a resolution that the bulk of the country will regard as legitimate and fair. The president has it within his power not to try to escape whatever may be the judgment of the Senate on a point of

law that many people would regard, rightly or wrongly, as a technicality. He might be able to gain two years from that. He would not gain legitimacy.

The Senate, being the Senate, is bound to engage in lengthy procedural debate before it even begins to approach the substance of the charges before it. In the Senate, procedure is often a code for substance. A debate is already under way, for example, as to whether the Senate is bound to conduct a trial or could dispose of the charges against the president by censure or some other resolution short of that. The Republican leadership and some others say the constitution requires a trial, the president's defenders would rather avoid one, lest it become a protracted effort to shame him out of office.

Our sense is that the Senate should try to avoid a full-length trial. The president needs to help by coming cleaner than he has thus far about some of the things that a trial might be meant to establish. The votes to remove the president from office do not appear to exist in the Senate, nor do we think that, on the strength of what he has been shown to have done, he should be removed. The Senate should censure him, and do it unmistakably. He needs to be forced to acknowledge, as he has not thus far, not just what he did but why it matters — that lies of the sort he told under oath and otherwise raise a legitimate question as to the fitness of a president to serve.

Mr. Clinton's low crimes and misdemeanors seem to us to be insufficient grounds for removing a president from office, but neither are they tolerable. Censure is the least harmful of the imperfect alternatives, and the Senate should find a way to get to it.

—THE WASHINGTON POST

## Peace and Politics in Israel

The campaign to choose Israel's next government began on Monday. That will mean regrettable new delays in peace talks with the Palestinians. But the elections, to be held sometime early next year, will give Israeli voters a chance to reinforce the wobbly Middle East peace effort.

The fractious right-wing coalition led by Prime Minister Benjamin Netanyahu for the past two and a half years has shown itself incapable of consistent movement toward peace. A new, more broadly based government could prove more productive.

Mr. Netanyahu's two main opponents, Ehud Barak, the Labor Party leader, or General Amnon Lipkin-Shahak, an independent centrist, are obvious candidates to lead such a government. But Mr. Netanyahu, if he can find a way to free himself from the uncompromising right, could also do the job. He is more of a pragmatist than an ideologue and deserves credit for leading his Likud party away from rejection of all territorial compromise. But most of his term has been consumed by narrow tactical maneuvers,

and he has yet to articulate a clear vision of what would constitute a fair and acceptable peace. Regrettably, he has launched his re-election campaign with a threat to suspend his part in carrying out the American-brokered Wye accord that he signed in October.

Mr. Barak is an untested campaigner who will have to overcome voter suspicions that his Labor Party is too eager for agreement with the Palestinians and not careful enough on security issues. General Lipkin-Shahak, a former army chief of staff, has no political experience, and since he is still formally a military officer he has refrained from publicly expressing his views. But many centrists see him as the best hope for achieving a secure peace.

Labor and Likud have both been losing voters. These elections are likely to go to the candidate who can sway the large group of independents who want a negotiated peace but also want Palestinian leaders to control terrorism. Israel would be well served if these supporters of a fair peace prevail at the polls and shape the next government.

—THE NEW YORK TIMES

## A Banana Split?

The United States and the European Union are headed toward an avoidable collision over bananas. On Monday, in retaliation for EU restrictions on banana imports, Washington announced a list of European imports that will be subject to 100 percent tariffs, ranging from cashmere sweaters to plastic purses.

The Europeans are flouting a ruling by the World Trade Organization that their banana restrictions, which discriminate in favor of European companies in importing the fruit, are illegal. Such defiance is discouraging when protectionist pressures are growing in many countries.

The principal beneficiary of an American victory would be Chiquita Brands, whose chairman, Carl Lindner, has been a generous contributor to both Democrats and Republicans. That has allowed Europeans to claim, inaccurately, that this is about politics, and that they are simply favoring poor Latin American banana exporters. In fact, Central American countries, also poor, are joint plaintiffs with the United States in this dispute.

Rather than negotiate a settlement after the WTO decision, the Europeans announced new banana rules. But these made no significant changes, and appear to be an effort to delay compliance. Europe resisted efforts to get a rapid WTO opinion on the rules.

Compromise is needed. If Europe shows a willingness to abide by the WTO ruling, the United States should be open to delays in Europe's coming into full compliance. But it is essential for Europe to accede to the WTO ruling even if it does not like it. To do otherwise would invite international anarchy on trade rules when protectionism is a greater threat than at any time in the past decade.

—THE NEW YORK TIMES

## Other Comment

### Refocus the Iraq Sanctions

We know that if sanctions were lifted, Saddam Hussein, in no time, would rearm and rebuild his [weapons] programs within months, not years. And we have no doubt that Saddam would then be in a position to execute revenge against every country that stood up against him.

The proper policy in dealing with Saddam is not by lifting sanctions but by making sanctions more regressive. This could be achieved by re-directing the sanction targets away from the innocent Iraqi civilians toward the regime itself.

—Khalid Al-Sayid, Ambassador Mohammed S. al-Sayid, addressing the U.S. Institute for Peace.

## A Compromise Could Civilize the Political Wars

By E. J. Dionne Jr.

WASHINGTON — It is possible to imagine that some good will come from the impeachment of Bill Clinton. This depends on what happens in the next several weeks. The House vote could mark the beginning of the end of a long spell in American politics when Mr. Clinton's failures, sins and alleged crimes dominated public debate to the exclusion of all else.

Many Republicans and perhaps a few Democrats will keep pushing for his resignation or removal. But even before the House voted on Saturday, some congressmen made clear that they were voting for impeachment in

the hope that the Senate would approve a censure resolution.

Senator Orrin Hatch, Republican of Utah, has said he is open to negotiations if it is obvious that the Senate lacks the two-thirds majority to kick Mr. Clinton out. Former Presidents Gerald Ford and Jimmy Carter have floated a censure proposal as a step toward "healing our divided nation."

The highly partisan nature of the House impeachment process means that even the president's resignation

would not resolve the crisis. (Not that he will resign, given his pledge to serve "until the last hour of the last day" of his term.) But many Democrats who might have wanted him to quit in August or September have shifted their anger to the Republicans. It was that anger that fueled the passion in House Democratic leader Dick Gephardt's final floor speech.

The sad resignation of Speaker-designate Bob Livingston over Hustler magazine's revelations about his sexual life will play less of a role than either party expects in the denouement of the Clinton case. Republican arguments that Mr. Livingston's resignation stands as a model for Mr. Clinton are undercut by reports that the Louisiana Republican was pushed to quit by a group of his colleagues, at least 18 of whom expressed second thoughts about his leadership.

"I concluded I would not have been effectively leading 100 percent of the Republicans," he told The Washington Post's Eric Pianin on Sunday, "so it was a matter of cutting your losses."

No Republican will be convinced by the Democrats' use of Mr. Livingston's troubles as an example of the "politics of personal destruction." For Republicans opposed to Mr. Clinton, the president's alleged crimes and Mr. Liv-

ingston's peccadilloes are not remotely comparable.

But the terrible power that has now been handed to Hustler magazine ought to affect the long view that Washington takes of the current power struggle.

In one of the impeachment debate's most honest speeches, Representative Charles Schumer, Democrat of New York, took his fellow politicians to task for "routinely using criminal accusations and scandal to win the political battles ... that we cannot settle at the ballot box." He said the tactic "has been used with reckless abandon by both parties, Democrats and Republicans," and "it is hurting our country — it is marginalizing and polarizing this Congress."

Mr. Clinton is not the one to make this case, having created the scandal that gave his enemies their opening. Democrats cannot make the case convincingly unless they admit how their own win-at-all-costs approach to the battles over the Supreme Court nominations of Robert Bork and Clarence Thomas contributed to the present climate.

But those who seek a compromise settlement in the Clinton matter can do so with an eye toward forcing both parties to step back and think anew about how they wage the political wars.

The Washington Post

## Don't Expect a Clinton Victory in the Senate

THE overwhelming majority of Republican senators will vote for conviction, so the president's fate rests in the hands of 45 Democrats. They must decide whether to condone or condemn.

Morally, they know that if they vote against conviction, they will have ceded the high ground to their Republican colleagues. They will not be the ones upholding the constitution. They will not be the ones insisting that no man is above the law. Their Republican colleagues will state that case and it will ring true, as it always has.

Condoning Bill Clinton's lying is a tall order for men like the minority leader, Tom Daschle, a devout Roman Catholic and a dedicated public servant. It is a tall order for Robert Kerrey of Nebraska, whose character is attested by a Congressional Medal of Honor. It is a tall order for Daniel Patrick Moynihan, whom history will regard as perhaps the greatest senator of his time.

It is said that enough votes to convict Mr. Clinton cannot be found in the Senate chamber. Do not believe it.

—John Ellis, in The Boston Globe

## Old Problems in India as It Slowly Opens for Business

By Philip Bowring

NEW DELHI — Gloom is as much the norm as the haze which chokes this city in winter. India may have escaped the East Asian turmoil, but with a weak economy it is scarcely the shining light it hoped to be.

After crushing defeats for the Bharatiya Janata Party of Prime Minister Atal Bihari Vajpayee in recent state elections, yet another change in government is now a strong possibility within 12 months. Even the nuclear test was a brief flash that so far at least has done nothing to increase India's global influence.

The economy, which had spurred past 6 percent growth, is slipping back toward pre-reform sub-5 percent growth; exports and foreign investment are falling; the fiscal deficit is rising to worrying levels; the stock market has gone nowhere for two years; inflation is back in double digits.

The usually optimistic Bombay business community complains about falling profits, import competition and the central government's failure to implement a right-wing economic agenda. Foreign business is frustrated by obstruction of liberalizing legislation. All are exasperated by the snail's pace of desperately needed power and road projects due to intertwined political, bureaucratic, legal and financing problems.

Some of the bureaucratic elite have drawn the wrong conclusions from East Asia's temporary upset, seeing it as reason to maintain failed policies of protection, subsidies and tight control on foreign investment.

The more exasperated players hope for what was deemed likely at a recent World Economic Forum meeting here: a foreign exchange and fiscal crisis similar to the one in 1991 that forced reform.

It is easy to exaggerate the dangers. India has had its share of overinvestment in some industries, and despite very high tariffs it is suffering from import competition. But it has not had a credit-driven boom like that of East Asia. Bank lending is only 30 percent of GDP, and most foreign debt is long-term and in the public sector. The private sector has been repaying dollars and borrowing rupees.

The subsidy-driven fiscal deficit is a real concern and must go down rapidly when the economy picks up. But even if it remains too high, it is more likely to generate gradually higher inflation and currency depreciation than a full crisis. If politically sensitive food and power subsidies cannot be cut, the deficit may be a lesser evil than failure to invest in education, irrigation and roads.

Current slow growth is more the result of bad weather, lower manufacturing investment and the external environment than of anything the government has or has not done. These are normal cyclical events, and they are forcing some industries into restructuring. Farming should lead a pickup in 1999.

The more important issue is whether project and reform delays now will hold up future growth. The answer is almost certainly "yes." It is the nature of the system.

Liberalization achieved a one-off spurt in output, and if it is maintained it should enable growth to settle at 4.5 to 5 percent — way below what ought to be possible.

Wrong priorities are a problem. The past weeks have been dominated by debate on the level of foreign investment to be allowed into insurance. This

is of minimal economic importance compared with such little discussed issues as how to quicken the pace of agricultural productivity and create demand for manufactures.

So India seems stuck at a moderate growth rate that will leave hundreds of millions in dire poverty well into the new millennium.

But it will still achieve a level that should appeal to investors, given the relative predictability of India compared with China, the national scale of brand names and the quality of management talent available. The remarkable progress that India has made in a few areas — for instance, computerization of stock market trading and settlement — will keep some money and talent flowing.

As for the politics, it will inevitably continue as a series of compromises, whether between partners in multiparty coalitions or between competing interests within the Congress Party should it regain a majority at the next election.

The government has not been as decisive as many had hoped because of the need for deals with regional parties in the coalition and compromises between free marketeers and economic nationalists. Even so, liberalizing policies have inched forward.

Many hope that the influence of regional parties at the national level has passed its peak. An ebbing would certainly make central government easier. But India's diversity has to be represented somehow.

The BJP's extreme Hindu connections have long cast doubt on its ability to become the majority party, and recent elections appear to have been a

rejection of its flirtation with communalism as well as a reaction against rising food prices. That leaves the Congress Party, the resilient but smallish left and the regional parties.

The electoral revival of Congress under Sonia Gandhi has been surprisingly swift. She believes that Congress must now bide its time and aim to get back into power after fresh elections rather than cobble together a new coalition to oust the BJP.

That she has been thrust into leadership of the party says much about the problems of India's parties in producing national leaders. It is also testament to India's social pluralism. Economically, that means that a

general commitment to liberal reform is hedged about by socialist, nationalist, regional and bureaucratic aspirations.

It is in practice very difficult to have decisive central government in the world's most diverse and plural nation. The best that can be hoped for is gradual erosion of the unholy alliance of populism, defensive nationalism and bureaucratic interventionism that for years killed initiative and wasted savings and still retards investment.

This may not be an exciting prospect. But the business cycle and the long-term attractions of what will soon be the world's most populous nation are still visible through the Delhi smog.

International Herald Tribune

## China Could Lose in 1999

By William Daley

The writer is the U.S. secretary of commerce.

WASHINGTON — Trade has been the enduring component of the relationship between the United States and China. When other issues threatened to pull us apart, trade held us together. Yet today, trade issues could lead to substantial American disengagement from China.

Given the broader Asian economic turmoil and the global economic slowdown, this year's financial crisis could become 1999's trade crisis.

The overall U.S. trade deficit in 1998 could hit a record \$170 billion. China is the source of the second-largest part of this deficit, after Japan. The gap with China could reach \$60 billion this year and \$70 billion next year — if we let it.

If we do, there could be a public backlash in America. As these numbers worsen, workers fear for their jobs. The issue of trade moves from Wall Street to Main Street.

Note of this has escaped the U.S. Congress. The eyes of lawmakers in Washington are clearly focused on China.

China is America's fourth largest trading partner. Our total trade has grown more than 15-fold since 1981, to more than \$75 billion. But it is too one-sided. U.S. imports from China outpace exports to China 5 to 1.

America is China's largest export market, accounting for nearly 20 percent of Chinese exports. The United States supplies only 11 percent of China's imports. And while China's imports are expanding by 4 percent a year, hardly any of the gain is in American goods.

There has been some progress in sales to China, but only bits and pieces. American companies do not have the access to the Chinese market that they ought to have.

And it is getting worse. In the last few months, new restrictions were imposed on at least nine key sectors in China, from agriculture to telecommunications to insurance.

Many U.S. companies believe that China holds the greatest potential for global export growth. They have played by Chinese rules. They have invested, transferred knowledge, capital and technology.

But harmful rules involving export performance, local content, technology transfer and equity requirements are severely limiting investor options. Of particular concern are new foreign exchange controls. They are causing significant delays in payments to U.S. companies.

Investors are now wary of Asia, including China. They are pulling back. They will not invest again unless permanent reforms are made.

But China is moving in the opposite direction. Perhaps it believes that U.S. businesses will do anything to invest. It may be underestimating the current level of frustration, and the attractiveness of other global markets.

China is in the midst of sweeping economic reforms. Growth remains solid. These reforms and this growth must continue. Closing markets in key sectors will not help.

This comment has been adapted by the International Herald Tribune from a speech on Dec. 17 before the U.S.-China Joint Commission on Commerce and Trade, in Washington.

## Post-Gaza, Still Too Much Precept

By Flora Lewis

PARIS — Bill Clinton's trip to Israel and Palestine this month came at a dramatic crossroads moment for both him and his hosts. It is a sign of how far things are from the triumphant celebration originally planned for the occasion that the most reassuring thing that happened was nothing.

There was real physical danger from fanatics, and political danger of another visible breakdown blowing up the Wye accords.

President Clinton was accused of trying to duck his domestic troubles by claiming a big foreign policy success, and of not being able to weigh hard enough on Israeli policy to produce a success because of his weakness in Washington. Both charges are essentially wrong, but there is an inevitable link between his personal political sturdiness and his ability to exert America's influence.

Whatever happens to him, the long-standing U.S. involvement in the Israel-Palestine conflict has been deepened. For the Palestinians, his appearance in Gaza signaled recognition and support for a future state, to the grave displeasure of part of Israeli opinion. The American commitment not only as mediator but also as guarantor of a settlement has been enlarged and reinforced, partly in ways that have not been made public.

It was announced at Wye that the CIA would have an active role in the Israeli-Palestinian dispute about moves to fight terrorism, but details were not disclosed. Further, Is-

raeli Foreign Minister Ariel Sharon told a press conference at Wye that in order to proceed with agreed troop withdrawals, Israel required Palestinian compliance with "all the accords, including secret ones, side letters and oral promises," which he did not reveal.

Madeleine Albright keeps saying that the promised withdrawal cannot be conditional. But the Israeli side keeps referring to conditions, and Benjamin Netanyahu keeps putting off a decisive move. And the current election campaign necessarily means a lot more delay in negotiations.

Yasser Arafat keeps saying he will proclaim Palestinian independence on May 4, despite American remonstrance that it would be "unhelpful" and Mr. Netanyahu's threat that it would void the whole Oslo pledge. Everything gets delayed in the Middle East, and the date is not so important in itself. But it does underline the fact that by then the five years provided for a final settlement will have elapsed with peace still out of sight.

Some important things have happened in those five years that are not reversible. But there has been no advance of mutual confidence or acceptance of joint interests, and so there is still no prospect of reconciliation. On the contrary, the prospects are for a series of crises — in the recent negotiations, in Israeli politics, in American politics, each with its separate context

but affecting the atmosphere of the others.

To a large extent, the underlying issue in all three cases is whether precept or problem-solving should determine what is to be done.

The precept of refusing to cede control of land, refusing to believe that independent Palestinians will ever assure peace, is argued in Israel against acceptance that the Jewish state will always have to deal with Palestinians and had best find the way of mutual benefit.

The precept of absolute guarantee of security first, against acceptance that peace is the best and most rewarding guarantee, is the issue of Israeli politics. The country is divided on many levels and has entered its second half-century in a strange mood of arrogant assurance and deep doubt about its identity and purpose. Eliot A. Cohen describes the psychological dilemmas with much insight in the current issue of Foreign Affairs, under the title "Israel After Heroism."

And the precept of moral rectitude (supporting political advantage) is the American argument. "A lie is a lie — there's no difference between Clinton and Nixon, who had to resign," said a Republican congressman.

When pugnacious, self-serving principle leaves so little room for reason, there is bound to be trouble. It is a relief to keep going with nothing bad happening, but that doesn't solve anything.

Flora Lewis

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Menelik's Wrath

ST. PETERSBURG — Rumors are current as to the hostile intentions of the Negus Menelik against Italy. The Abyssinian monarch is very angry because the Italians have incited the Ras Mangascia to rise against him, and because they have acted as though they were masters of Raheita, the Sultan of which place the Negus regards as his vassal. Menelik is said to intend making war with the object of driving the Italians right out of Africa.

### 1923: French Divorces

PARIS — The decree handed down by a Paris court prohibiting Miss Edith Kelly from using the name of Gould has shaken the American colony in Paris. The decree makes it clear that American women who obtain French divorces have no right to continue using the names of their former husbands. More

serious than this is the question of the validity of their passport in the eyes of the French Government. American women obtaining divorces here have followed the practice of using their husband's name and have returned to the United States on passports bearing their names.

### 1948: Tokyo Hangings

TOKYO — General Douglas MacArthur's headquarters announced that Japanese ex-Premier Hideki Tojo and six top-ranking war criminals condemned to death by the Far East Military Tribunal had been executed today [Dec. 23] by hanging. His headquarters issued the report: "Notification was given the condemned men at 9 p.m., Dec. 21. Each requested an hour alone with Dr. Shinsho Hanayama, Buddhist priest. One request was made. Tojo asked that he be served with Japanese food on his final day."

## Herald Tribune

ESTABLISHED 1867

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairmen of the Board

PETER C. GOLDMARK Jr., Chairman and Chief Executive Officer  
RICHARD WOOLDRIDGE, President and Chief Operating Officer  
MICHAEL GETTLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor  
• KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors  
• ROBERT J. DONAHUE, Editor of the Editorial Pages  
• JONATHAN GAGE, Business and Finance Editor • SAMUEL ABT, Associate Editor

• RENÉ BONDY, Senior Vice President and Chief Financial Officer  
• DUDER BRUN, Circulation and Distribution Director  
• STEPHEN DUNBAR-JOHNSON, Advertising Director  
Directeur de la Publication, Peter C. Goldmark Jr.

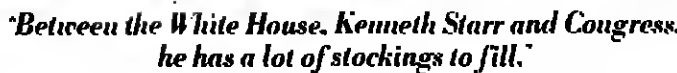
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel.: (1) 44 43 93 00. Fax: Subscriptions: (1) 44 43 92 10. Advertising: (1) 44 43 92 12. News: (1) 44 43 93 38.  
Internet address: <http://www.ihb.com> E-Mail: [ihb@ihb.com](mailto:ihb@ihb.com)  
Editor for Asia: Michael Robinson, 5, Cantonment Road, Singapore 11900. Tel: 65 432 7768 Fax: 65 432 7434  
Mex. Dir. Ana, Neri J. Ochoa, P.O. Box 100, 06700 Mexico City, Mexico. Tel: 52 55 262 1184 Fax: 52 55 262 1190  
Gen. Mgr. Carmine J. Schiano, Franklin St. 15, 08123 Frankfurt 11, Germany. Tel: 49 69 71 250 0 Fax: 49 69 71 250 20  
U.S. Office, 850 Third Ave., New York, NY 10022. Tel: (212) 772-7800 Fax: (212) 772-7878  
U.K. Advertising Office, 63 Long Acre, London WC2E 9LT. Tel: (44) 20 7594 4000 Fax: (44) 20 7594 4001  
S.A.S. au capital de 1 200 000 F. RCS Nanterre B 732 011 20. C. de Commerce Nanterre No. 91577  
©1998, International Herald Tribune. All rights reserved. ISSN: 0244-0942



## Americans Shed No Tears Over What's Just Politics

It is the triumph of America's salesmen and warriors that shows us to turn our attention from politics and war and toward

The writer, a fellow at the American Enterprise Institute, contributed this comment to The Washington Post.



public life and making members of Congress accountable to public opinion, Americans should rally around the following goals:

## Prospects for Iraq

What is now needed for Iraq is a peacemaker to bring to an end the inspections and sanctions regime. Surely the figure most

The fear of military casualties is the main reason why U.S. political leaders are reluctant to take any action to liberate Iraq from Saddam's rule, even though they pay lip service to such a goal.

ALEX WEIR,  
Luxembourg.

More to the point, it feeds into the delusion that we can lead that

forward to the night before this Christmas. All through the house, not a creature will be stirring. Not even a (computer) mouse.

*The Boston Globe*

**FOR EUROPE +44 171 420 0348**  
**FOR THE AMERICAS 1-800 572 7212**  
**FOR ASIA +852 2922 1188**

**BUSINESS OPPORTUNITIES**

Appears every Wednesday in the Intermarket.  
To advertise contact Sonya Broadhead in our London office:  
Tel.: + 44 1 71 420 0325 / Fax: + 44 1 71 420 0338  
or your nearest IHT office or representative.

*Herald Tribune*  
**THE WORLD'S DAILY NEWSPAPER**

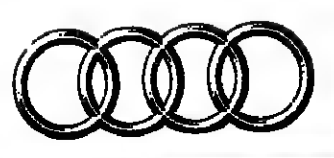
مَكْرَامَتِ الْأَهْلِ





Merry ChristTmas.







## A Young Talent on 'Parade'

### How an Untested Composer Got to Write a Broadway Show

By Robin Pogrebin  
New York Times Staff Writer

**N**EW YORK — For Jason Robert Brown, setting out to write the music and lyrics for "Parade" was hard, but not for the reasons one might expect.

It was not because he was 24 at the time — he is now 28 — and never had written a musical before. It was not because two renowned veterans of the theater — the Tony award-winning director Harold Prince, who helped conceive the show, and the Pulitzer Prize-winning playwright Alfred Uhry, who wrote its book — had decided to gamble on a complete unknown. Nor was it because it would be tough for anyone to write a musical about a man who was lynched after being wrongly convicted of murdering a teenage girl.

It was difficult, Brown says, because he wanted to bring to life Leo Frank, the man at the center of the play. Frank was a New York Jew working as a superintendent at a pencil factory in Atlanta in 1913. The character eluded Brown.

"The piece had historical resonance and political resonance, but I couldn't find a lot of personal resonance," said Brown in an interview shortly before "Parade" opened last week at the Vivian Beaumont Theater in Lincoln Center.

Although critical reaction to "Parade" has been mixed, the play arguably represents the most ambitious new work of the season, given that large-scale original musicals rarely come along these days, and that "Parade" deals with such weighty subjects: the trial of a man falsely accused, the specter of anti-Semitism, the transformation from an agrarian to industrial society, the testing of a marriage.

"Parade" also has been closely watched as part of the saga of Linvent Inc., co-producer of the show with Lincoln Center Theater, the company recently sought bankruptcy protection. The production marks the joining of two forces in the theater: Prince, whose productions have included "Phantom of the Opera," "Evita" and "Sweeney Todd," and Uhry, author of "Last Night of Ballyhoo" and "Driving Miss Daisy."

Such collaborators might intimidate

even the most seasoned of composers, particularly given that Prince turned to Brown after Stephen Sondheim turned down this project. But Brown said he felt up to the task.

"I didn't have doubts about the musical end of it," he said. "I was much more concerned about the language. There was a delicacy to the language of those times. There was a lot of gentility and precision in the way they spoke. I'm much more a product of spitting things out."

Prince said it was not such a leap of

**Harold Prince turned to Brown after Stephen Sondheim turned down the project.**

faith. He said he had worked with the songwriting team of John Kander and Fred Ebb when they started out, and with Sondheim in his early days as well.

"I feel great confidence in young people," Prince said. "Jason's view of things is understandably more contemporary, and I have more experience, more knowledge. We're good for each other."

Prince's daughter, Daisy, discovered Brown's work at a piano bar in Manhattan and brought the young composer to her father's attention. Prince recalled being particularly impressed by a song Brown had written about Bersy Ross. "I thought it was miraculous," he said.

In writing "Parade," Brown worked closely with Uhry, who grew up in Atlanta and whose great-uncle owned the pencil factory run by Leo Frank. Nearly every time Brown sat down to write a song, he was working from a text by Uhry.

"I leaned on Alfred to give me as much color as he could," Brown said. "It was in his bones."

Uhry said he was impressed by how quickly Brown keyed into a world Uhry knew so well. "The first song he played me was 'The Old Red Hills of Home,' and he's never been in the state of

Georgia," Uhry said. "I got a big lump in my throat."

Brown also steeped himself in research about the Frank case and about the period, reading newspaper articles from the time.

"I was trying to make sure I understood the idiom and the people and the kind of rage that could make this happen in the first place," Brown said. In September 1997, Brent Carver stepped into the role of Frank for the workshop production of "Parade."

Something about Carver's interpretation of the role, which he also plays in the current production, made Brown identify with Frank for the first time.

"Seeing Brent do it, I was finally able to put myself up there," Brown said. "I saw what he was looking for, saw what he needed and saw that I hadn't given it to him. There was something about the way he was closed off and hostile around people that I really recognized."

Uhry said he had come to see a lot of Frank in Brown as well. "I see a reserved person who feels like a fish out of water a lot of the time," Uhry said, "and reins in his real feelings."

Brown said that he developed his sense of reserve as a young boy. At age 8, he asked for a piano because he wanted to grow up and be Billy Joel. "Sitting behind that piano, I could express myself," Brown said.

After two years at the Eastman School of Music in Rochester, New York, Brown dropped out and followed a girlfriend to Miami, where he taught at a performing arts high school. In 1990 he came to New York, and supported himself by playing in piano bars and school productions. And all along Brown had been writing songs.

There are only about 15 minutes of "Parade" without music. Yet Brown has also tackled other projects, like writing the arrangements for William Finn's "New Brain" at Lincoln Center and "Dinah Was" at the Gramercy Theater, as well as orchestrations for "Love's Fire" at the Joseph Papp Public Theater. All of which, Brown said, left him looking forward to sleeping past noon.

"Everyone asks, 'What after 'Parade'?' he said. 'And I just sit there and stare at them.'"



Brent Carver, left, and Carolee Carmello in "Parade," with music and lyrics by Jason Robert Brown.

## Bonyge Airs a Rare 'Cendrillon'

By George W. Loomis

**M**OSCOW — Richard Bonyge dusted off a number of early 19th-century operas for Dame Joan Sutherland during her long career and no doubt accumulated a sizable collection of rarities in the process. Nowadays, amid engagements conducting many of the operas in which his wife excelled, he continues to sift through them.

French opera comique has captured his attention late, as record listeners know from delightful releases of works by D.F.E. Aubert and Adolphe Adam. Last week saw an even more obscure specimen when Nicolas Isouard's "Cendrillon" (1810) was given for the first time anywhere since the 1840s. The concert performance in the Stanislavsky-Nemirovich-Danchenko Theater with the Ensemble XXI Moscow orchestra, which was recorded for commercial release, boasted an international cast of promising young singers.

Like many composers who triumphed in French opera, Isouard was not a native Frenchman. Born in Malta in 1773 and trained in Italy, he settled in Paris around

1800, where he soon enjoyed one success after another. His creative powers were at first sharpened by competition with Louis Boieldieu when the latter returned from Russia the year after "Cendrillon." But after Boieldieu was chosen over him for membership in the Institut de France in 1817, Isouard went into a rapid personal decline and died of consumption the following year. Still, Isouard was popular enough to be memorialized in stone on the Paris Opera's facade and to have a street named after his pseudonym, Rue Nicolo in the 17th arrondissement.

Mentioning opera comique may call to mind Gallic effervescence, but with operas like Cherubini's "Medee" and Bizet's "Carmen," the only generalization one can make is that spoken dialogue is used rather than recitative. As a version of the Cinderella story, "Cendrillon" is definitely in an amiable vein, but it contains some big numbers in minor keys that recall Cherubini and even a few hints of Spontini's grandeur. The most memorable part of the score is a choral dream sequence during which Cinderella is transported to the ball to the strains of an enchanting melody that prefigures Schubert. The brief second act does not

quite sustain the promise of the first. Ludmila Shilova sang the title role with beautifully formed tones and gracefulness. Unlike Rossini's treatment of the story, Isouard's opera has elaborate parts for Cinderella's two stepsisters, each rich in vocal filigree. The Korean soprano Byung Soon Lee sang Clorinde with an exquisite, bell-like sound similar to that of her compatriot Sumi Jo. Marian Sjolander of Finland brought vocal luster to Tisbe's big aria in the second act.

Lee and Sjolander are veterans of master classes that Sutherland and Bonyge conducted in Aldeburgh, England, as is Hans Pieter Herman, whose light baritone made for a sprightly Alidor. The tenor Nikolai Dorozhkin sang ardently but could have been more seductive in the Prince's beguiling romance, with its haunting woodwinds and pizzicato strings. The performance had the benefit of rudimentary staging by Marie Claire, but it was a pity that the singers used scores. The orchestra was in fine form under Bonyge, who previously appeared with it here in 1995, offering Haydn's "Orfeo ed Euridice."

George W. Loomis is a music writer based in Moscow.

## A Short and Unexpected Christmas Gift

By Sherida Morley  
Los Angeles Herald Tribune

**L**ONDON — In the West End, plays are getting shorter by the minute. First "Art" came in at 85 minutes, then Trevor Nunn got Pinter's "Betrayal" down to 80 at the National and now "Jesus My Boy" at the Apollo Shaftesbury, proudly advertises "only 75 minutes." Quite soon they'll be down to 30, and then, perhaps, an ad offering, "No need to come at all, we'll phone it to you," thereby representing remarkable savings in parking, baby-sitting and eating out.

That noted, "Jesus My Boy" is actually enchanting. My colleagues have been eager to point out that it is not really a play at all and even potentially blasphemous, but it remains a monologue of considerable Yuletide cheer, written by a stand-up comic, John Dowd, in the tradition of all those Carl Reiner and Woody Allen routines about the men that history forgot.

In this case it's the stand-in father to Christ, the carpenter Joseph winningly played by Tom Conti as if auditioning for a bus-and-truck regional revival of "Fiddler on the Roof." This Joseph has a lot to complain to God about: First of all he wanted to be a mason not a carpenter, since they get better aprons;

second, the price of wood is going up all over Bethlehem, and third, he is always getting painted as some asexual old patriarch in the background, in order to get the Virgin Mary off the usual marital and maternal hooks, whereas in reality he's a young man of 24 trying to make a living for his miraculous wife and only stepson.

I also like him murmuring ruefully that diapers, dummies and food would have been a lot more useful than gold, frankincense and myrrh. Sure "Jesus My Boy" is lightweight, but it is also original, gently mocking and perfectly timed as an unexpected little Christmas gift.

There is something weirdly and wonderfully resilient about the D'Oyly Carte light opera company. Just when you think they must be about as dead as a four by the Lunts, they suddenly haul themselves together again and here they are on Shaftesbury Avenue at the Queen's for the holiday season.

Certainly, there is still something tacky about those cardboard sets and ancient wardrobe costumes, while some of the acting has to be seen to be believed. But given that "Pirates of Penzance" is the first great British stage musical, with not a single dud song in its Gilbert and Sullivan score — more than can be said for any other

of their Savoy operas — and that the company has already outlasted the century, I guess we should not be overly critical.

What's more, here at the Albert Hall and the Barbican and the South Bank this economically troubled year, the impresario Raymond Gubbay continues to prove that there can be musical life without subsidy or lottery or other grants. He upholds a purely box-office tradition that no other musical management in the land, save that of Cameron Mackintosh, seems to understand.

Certainly Lindsay Dolan's choreography here is a grave mistake, especially if you recall the classic Brialway revival by Joe Papp some 20 years ago, but Richard Stuart is in superb form as the old Major General whose ancestors are not so much inherited as purchased with their estates, while Mark Hathaway is a suitably pop-star Frederic.

The Pirate King seems, however, to have had a charisma bypass, and the Sergeant of Police is unusually rheumatic. But if you make the effort to blow away the dust and forget the creaking, you can still hear the sure sound of Gilbert and Sullivan at the very top of their lyric and satiric form. This is where the modern musical began a bit more than a century ago, and it is still going strong.

## BOOKS

### AT HOME WITH THE MARQUIS DE SADE

By Francine Du Plessix Gray.  
Illustrated. 491 pages. \$27.50.  
Simon & Schuster.

### SADE

A Biographical Essay  
By Lawrence L. Bonge.  
Illustrated. 350 pages. \$29.  
University of Chicago Press.

Reviewed by  
Richard Bernstein

**T**HE first thing to remember about the Marquis de Sade is that he did not write bawdy Rubelaisian literature or tingling Anal Nin erotica or even raw storefront pornography. His long novels are about the sodomistic deflowering of pubescent girls and boys, about dismemberment, coprophilia, incest, ritual murder, torture and other cruel supposed pleasures.

Because of his exploration of these fantasies, Sade has in recent decades come to be regarded by some scholars and critics as a great philosopher and a martyr to freedom of conscience, a view treated skeptically by Laurence Bonge in "Sade: A Biographical Essay."

And so the natural question arises: Was Sade in fact a great figure in Western thought? Was he a martyr? And what kind of person was he, to have produced his extraordinary contribution to our cultural lexicon?

Bonge, who makes no secret of his disdain for Sade he calls him one of "the most brazenly adolescent, opportunistic, tantrum-prone, egotistical, self-absorbed, self-indulgent hollow men of his age," has written an investigation focusing on one aspect of Sade's character and development, his heretofore neglected relationship with his aristocratic mother, In

entire universe should gratify my every whim."

Another new book, "At Home With the Marquis de Sade" by Francine du Plessix Gray, looks at his life far more broadly. Gray is more genially disposed toward her subject than Bonge, seeing in him the qualities of bravery, charm and even a brutal sort of sincerity. But she is by no means enamored of Sade or unaware of his gigantic egotism, and she shows an acute critical intelligence throughout. Her account of the marquis's life and times is vivid, stylistically fluid, discriminating and historically informed. It will help readers to form their own judgments of this troubling and complex figure.

While Bonge's focus is on Sade's mother, Gray's book is in large part the story of Sade's relationship with two other women: his devoted wife, Renee-Pelagie de Montreuil, and her mother, the "iron lady," Marie-Madeleine de Montreuil. It would be hard to imagine wife and mother-in-law being more different.

While the sedate, self-effacing Marquise de Sade steps out from a Miller painting, robed in sober hues of dun and earth," Gray says, "her mother walks out of a Greuze portrait, a flirtatious virago adorned in rose and pale violet, as sprightly of wit and polished in her conversation as she was cunning in her tactics."

Sade married Renee-Pelagie, the daughter of a wealthy bourgeois, in 1763 when he was 23. Very quickly he resumed the life of what was called "libertinage," pursuing sexual liaisons with many mistresses (one of whom was Renee-Pelagie's pretty younger sister) and, more to the Sadean point, raiding lower-class neighborhoods for men and women to be used in his kinky orgies.

Gray makes it clear that some of this behavior was fairly standard for the decadent French aristocracy of the time. But while Sade certainly preyed on his sexual targets and became notorious for doing so, he did not engage

in the bestiality or the weird violence that is at the sadistic heart of his books. Sade, in fact, was acquitted of the charges of sodomy and poisoning brought against him after an infamous orgy in Marseilles. But he was imprisoned when his formerly indulgent mother-in-law turned against him and used her considerable power and influence at court to have Sade imprisoned by order of Louis XV himself.

Here is where mother and daughter parted company. For Sade's entire 13 years in Charleston and the Bastille, Renee-Pelagie stayed loyal and devoted. Paradoxically and interestingly, Renee-Pelagie only turned against her husband when, in the wake of the Revolution of 1789, Sade was released from prison. "One cannot decode her through traditional concepts of wifely love," Gray writes. "Her obsession for her husband was analogous to the most perfect monastic dedication, to that total surrender of self achieved only by the most perfect nuns."

Along the way, Gray subjects Sade's writings to a sympathetic critical examination, pursuing their various themes, including, as she puts it, his "abhorrence of the maternal principle," as well as his early evocation of the unconscious, the impulse toward destruction of man in a kind of extreme Hobbesian state of nature.

"In the terrifying orgies of his fictions he gave free rein to those darker inclinations," she writes, "to the impulses that can compel us to regress, if only in our fantasies, to an archaic, animal-like stage, liberated from even the most fundamental taboos — incest, cannibalism — imposed by civilization."

In many ways, including the role of Sade's mother in his early experience, Gray and Bonge disagree. Most important, Bonge denies any moral separation between Sade's fictional fantasies and his real life. The "absence of boundaries, impediments and limits of any kind becomes in fact the defining attribute of the Sadean novel whose monster characters . . . can do everything to their victims that can be CONCEIVED," he writes, and thus do not "exemplify art separated from life."

An old debate in Sade is joined once again with, in my view, Gray's less judgmental vision carrying the day. If you can only take take one book about Sade, your choice would probably be with her more general treatment. But Sade is so interesting and so ultimately mysterious, and he raises such fundamental questions about luxury, morality that you might then want to read more, in which case Bonge's more specialized, dissenting study would be a profitable selection.

New York Times Staff

## BEST SELLERS

The New York Times		4TH-10TH BEST-SELLING	
Week	Rank	Book	Author
FICHTION			
1	1	LAMANTHULL, by Tom Wolfe	Wolfe
2	2	BAG OF BONES, by Stephen King	King
3	3	THE SIMPLE LIFE, by David Baldacci	Baldacci
4	4	THE SIMPLE LIFE, by David Baldacci	Baldacci
5	5	WHEN THE BLOODS, by James Patterson	Patterson
6	6	RAINBOW SIX, by Tom Clancy	Clancy
7	7	THE HUNTER, by Michael Chabon	Chabon
8	8	ALL THROUGH THE NIGHT, by Mary Higgins Clark	Clark
9	9	THE VAMPIRE MARIANA, by Anne Rice	Rice
10	10	THE TUDOR TRAIL, by John Grisham	Grisham
11	11	THE TUDOR TRAIL, by John Grisham	Grisham
12	12	THE TUDOR TRAIL, by John Grisham	Grisham
13	13	THE TUDOR TRAIL, by John Grisham	Grisham
14	14	THE TUDOR TRAIL, by John Grisham	Grisham
15	15	THE TUDOR TRAIL, by John Grisham	Grisham
NONFICTION			
1	1	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
2	2	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
3	3	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
4	4	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
5	5	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
6	6	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
7	7	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
8	8	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
9	9	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster
10	10	THE CENTURY, by Peter Jennings and Todd Brewster	Jennings, Brewster

## LIVING IN THE U.S.?

Now printed in New York  
for same day  
delivery in key cities.

To subscribe, call  
1-800-882-2884

Herald Tribune

THE WORLD'S LARGEST NEWSPAPER

## CROSSWORD

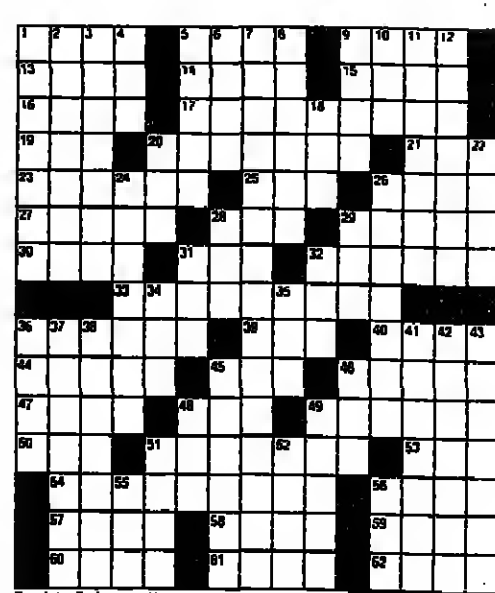
### ACROSS

1. Dances of the Savoy
2. Long time
3. Site of the oldest church in France
4. Bones
5. Teacher of Heracles
6. Queens'—Stadium
7. The whole gamut
8. Supercomputer pioneer
9. Electoral test
10. Hold up
11. Certain playing marble
12. Bout decision
13. One of the Musketeers
14. Long time
15. Prepare, as a hook
16. Old-fashioned wizard
17. Clue alternative
18. Man of many words
19. Film feline
20. Savory lungi
21. It's nowhere
22. Skipped past with a remote
23. Remote targets?
24. Large buttnose
25. With force

### DOWN

1. Yarn work
2. Dawdles
3. Brewster's needs
4. Essay
5. Spars
6. City near Padua
7. Stained homebuilders
8. Big fan
9. Late-night name
10. What was—think?
11. Kind of industry
12. "God strengthens" in Hebrew
13. Convert, with "over"
14. Start of a cheer
15. Giant Mel and family
16. Pipes connector
17. Firefighter's apparatus
18. Kicker
19. Slack
20. Author of "O'Hare"
21. Like an 8-Down
22. Malinal fever
23. Cornell of Cornell
24. University
25. Vacation-planning aids
26. J.F.K. arrivals
27. Girls in gowns
28. St. Petersburg-born ballet star
29. Put to work
30. 3,500-year-old writing
31. Deciphered in 1953
32. Mysteries
33. Yankee Yogi and others
34. Caribou kin
35. Taradiddle
36. F.D.R.'s Interior Secretary
37. Comments further
38. rest
39. Sass
40. Put down the first card

Solution to Puzzle of Dec. 22  
CHIC GLEAN ZAPS  
ZORA RANDI ADUE  
AMINOACIDS GAZA  
RESTATE MORMON  
ISIS HANES  
SPACES DATABASE  
WELLS GIVEN PTA  
EAVE SEARS APER  
ALI ATONE ISLET  
RENEGADE JOSEPH  
ALENE BENE  
GRIPED MARIIMBAS  
COLA ADIUSABABA  
USE BILLS EEEK  
MAYO DATISY ERTE



© New York Times/Edited by Will Shortz

See our  
International  
Franchises  
every Wednesday  
in The Intermarket



WEDNESDAY, DECEMBER 23, 1998

PAGE 11

## Japan Plans To Purchase Fewer Bonds

### Tokyo's Unexpected Move Rattles Financial Markets

Compiled by Our Staff From Dispatches

TOKYO — Japanese authorities blindsided the financial markets on Tuesday, saying they would cut back their purchases of government bonds and instead focus on long-term interest rates.

The move sent prices of government bonds plunging, forcing yields to the highest levels in more than a year, and helped drive the benchmark Nikkei 225 index down 2.6 percent.

"For Japan, this is extraordinary," said Russell Jones, chief economist at Lehman Brothers Japan.

The Finance Ministry's Trust Fund Bureau, which holds about a third of outstanding government bonds, said it would stop its purchases of bonds in the secondary markets as of Jan. 1. At the same time, the Bank of Japan hinted it also would reduce its bond purchases, saying it was not "natural" for the central bank to hold as much in government bonds as it does.

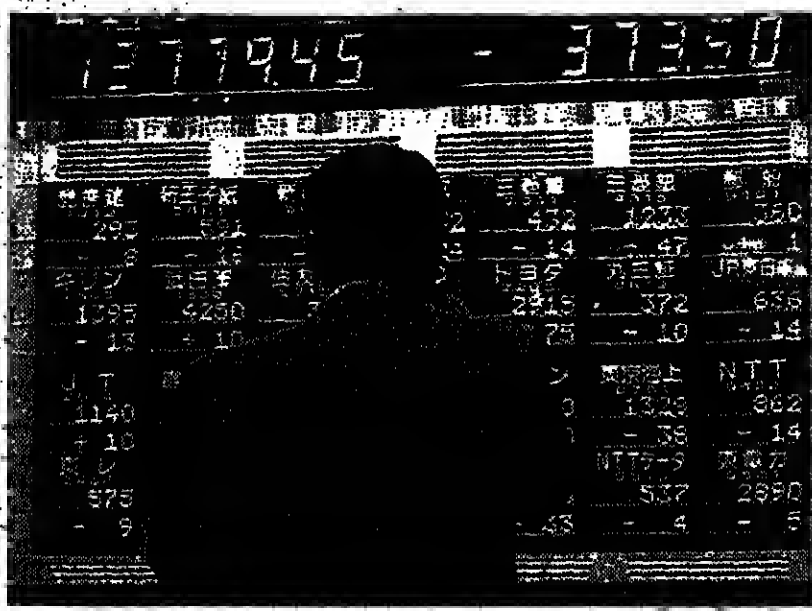
This comes a day after the government said it would double sales of new debt during the year to March 31, 2000. The government needs money to fund tax cuts and fuel spending to end the recession.

The yield on Japan's benchmark 10-year bond, which moves in the opposite direction of the price, notched its biggest one-day rise ever, increasing 0.39 point, to 3.895 percent. That is the highest yield since September 1997; the bond was yielding a record low 0.7 percent in October.

The yen slumped against the dollar on worries that rising interest rates would keep the economy pinned in its worst postwar recession.

Finance Minister Kiichi Miyazawa added to the bond market's woes by saying prospects for higher rates if the ministry halted purchases of the securities "would not be a big deal."

Masaru Hayami, governor of the



A business executive watching share prices tumble in Tokyo on Tuesday.

Bank of Japan, acknowledged that yields were rising but said, "I am not very worried about it."

But investors were worried. "Higher yields represent a real problem for the economy," said Marshall Gittler, a strategist at Bank of America in Hong Kong. "Low interest rates have been the main support for corporate profits; if rates go up, companies will have to find other ways to improve their results, such as firing people."

Economists are increasingly worried that ambitious government spending plans to stimulate the economy will be increasingly difficult to finance by a nation already carrying a huge government debt load. As Japan has struggled to recover from the bursting of its speculative bubble economy in the early 1990s, the government has poured more than 100 trillion yen (\$861 billion) into regular stimulus packages hoping to spark growth.

This year alone the government has brought in two huge stimulus spending packages, worth a combined 40 trillion yen, as well as set up a 60 trillion yen fund to deal with the banking crisis.

The government said Monday it would issue a record 71 trillion yen in debt to finance the budget for the year starting in April, including the 31 trillion yen in new issues.

Worries over Japan's exploding government debt, which in total exceeds a full year's gross domestic product, were

behind the November downgrade of Japan's sovereign debt by Moody's Investors Service Inc. from its high rating.

Over the past five years, the Bank of Japan and the Ministry of Finance have absorbed an average of 21 percent of the total government debt issued, according to an estimate by Merrill Lynch. With that demand absent, private-sector investors will be hard-pressed to buy the entire debt load.

"Clearly this means higher interest rate costs to the private sector," Mr. Jones said. "They have already got enough problems finding money at a reasonable cost."

While foreign investors have largely abandoned the market because of its low yields, Japanese government bonds have been bought by local banks because they do not want to risk money on the stock markets or in credits to cash-strapped companies.

As long as the government flounders in its attempt to sort out the estimated 77 trillion yen in bad debts at Japanese banks, it is likely to stay that way. Bank capital has been further depleted as the Nikkei 225 stock index lost a tenth of its value in the past six months.

"Higher interest rates may initially have a limited impact on capping loans from banks to corporations because banks aren't extensively giving out loans to begin with," said Michael Lockrow of Thomson Global Markets. (Reuters, Bloomberg, AFP)

## GEC Splits Off Its Electronics Business

### Move Could Signal Merger With BAe, Raising Concern at Daimler

By Tom Buerkle  
International Herald Tribune

LONDON — Britain's second-largest defense contractor, General Electric Co., said Tuesday that it would split its defense-electronics business from its civilian activities, fueling speculation about a merger with British Aerospace PLC but possibly dealing a setback to hopes for a broader consolidation of Europe's defense industry.

The announcement indicated that merger talks within the European industry were intensifying, but it also highlighted several issues that so far had prevented the formation of an integrated, pan-European defense contractor of a size to rival U.S. giants like Boeing Co. and Lockheed Martin Corp.

GEC's Marconi defense-electronics unit would be an ideal partner for BAe, bringing together Marconi's aircraft and missile-guidance systems and radars with BAe's fighter jets and commercial airframes, analysts said. But the combined defense activities of GEC and BAe would dwarf the defense business of DaimlerChrysler Aerospace AG, and could disrupt or delay merger talks between DaimlerChrysler Aerospace and BAe. Those companies appeared on the verge of a deal earlier this month after Germany indicated its backing for a merger.

The GEC announcement brought a warning from DaimlerChrysler Aerospace, which said that any British move to imitate France's restructuring along national lines would impede efforts to form a pan-European defense conglomerate. "We need European restructuring, not vertical, national integration," said Rainer Ohler, a spokesman for DaimlerChrysler Aerospace. If the GEC announcement signals a merger with BAe, that "would be an obstacle" to Europe-wide restructuring, he added.

DaimlerChrysler Aerospace's stance mirrored the recent move by Aerospatiale to create new obstacles to the transformation of Airbus Industrie into a single corporation, out of fear that a DaimlerChrysler Aerospace-BAe merger would leave it in a subordinate role. It suggested that national pride remains a major impediment to any broad European defense restructuring.

GEC announced that its board had decided at a meeting Monday to separate the company's defense and aerospace business from its civilian business. It claimed the move would "create value for its shareholders by leading the

international defense industry consolidation." GEC announced earlier this month that it was in intense discussions with other major defense companies, triggering speculation that it was seeking a deal with major U.S. companies like Lockheed Martin or Northrop Grumman Corp.

GEC gets about 40 percent of its \$6 billion annual defense revenues from the United States, and strengthened its presence there earlier this year with the \$1.4 billion purchase of the defense-electronics company Tracor Inc. But GEC's defense operations on their own are much smaller than most potential U.S. partners, making it more of a target than a predator.

If the company wants to play a major role, that points more in the direction of a merger with BAe, said Sandy Morris, an analyst at ABN-AMRO. "GEC-British Aerospace is a powerful company," he said.

It also would look more like U.S. rivals such as Lockheed Martin, able to integrate complex electronic systems with aircraft and missiles. "It's very complementary, so strategically it's a good idea," said Nick Cunningham, an analyst at Salomon Smith Barney.

But the combination would make DaimlerChrysler Aerospace feel "excluded" and could inhibit broader restructuring, he said. Given their large stakes in Airbus, which makes civilian aircraft, and the Eurofighter defense project, DaimlerChrysler Aerospace and BAe "have to live together" if Europe's defense firms are to combine, he said. While DaimlerChrysler Aerospace might merit a 40 percent stake in any merger with BAe, its stake in a three-way partnership with GEC and BAe would probably be around 20 percent to 25 percent, analysts said.

In 1997, BAe had sales of \$7.3 billion (\$12.29 billion) and operating profit of \$536 million. In 1997, prior to the Tracor purchase, GEC's defense business had operating profit of \$343 million on sales of \$3.1 billion. DaimlerChrysler Aerospace had sales of 15.3 billion Deutsche marks (\$9.09 billion) and operating profit of \$432 million.

Mr. Morris said the indications of a GEC-BAe rapprochement suggest that British industry executives have grown more wary of the possibility that political imperatives could outweigh commercial reasoning in any European defense restructuring. "The U.K. may be better putting its own house in order because who knows how Europe is going to break," he said.



Lord Simpson, left, chief executive of General Electric Co., of Britain. John Weston, right, chief executive of British Aerospace.

## The Pope on the Euro? It Could Happen

By John Tagliabue  
New York Times Service

ROME — Will the Pope be on the euro?

The question is hardly academic, for while the European Central Bank's directors gathered in Frankfurt on Tuesday to set initial corridors for euro interest rates, European Union officials met in Brussels to figure out how to spread the new single currency into Europe's farthest nooks and crannies.

At issue were French-controlled islands — Mayotte, in the Indian Ocean, with a French-speaking population of 105,000, and Saint Pierre and Miquelon, rocky outcroppings off Newfoundland, population 6,800, mainly fishermen and their families. Technically, the islands are not part of the European Union, but the officials proposed that, when France adopts the euro in January, they be allowed to do likewise.

Trickier was the question discussed on Monday regarding three tiny independent states on European territory — Monaco, the principality in southern France; San Marino, a republic in central Italy; and the Vatican, the domain of Pope John Paul II in Rome.

European officials dealing with the euro have long puzzled about how to treat these mini-states. Under an agreement with the French central bank, Monaco has long minted Monegasque francs for use in its territory. Similarly, San Marino and the Vatican use Italian lire, and mint lire coins, though not notes, including Vatican coins with the image of the Pope.

Unlike Monaco's francs, which are not legal tender in France, the lire of San Marino and the Vatican are good throughout Italy.

But in 2002, when euro notes and coins are introduced, lire and francs will disappear, and Brussels must decide whether to allow these three states to adopt the euro, even though they are not in the European Union.

On Monday, the European Commission proposed to freeze the status quo. Thus, Monaco, San Marino and the Vatican would use the euro, though without the right to issue their own money, which would have to be done by France and Italy, albeit with distinct local designs. As now, Monegasque francs and San Marino and Vatican lire would only be accepted in Monaco and Italy, respectively. The 15 European finance ministers are expected to confirm the proposal at a meeting Dec. 31.

So, will the Pope show up on the euro? Joaquin Navarro Valls, the papal spokesman, said: "We will have to negotiate all the details of this new reality."

## Pecorino and Mont Blanc Pens on U.S. Hit List

New York Times Service

WASHINGTON — Louis Vuitton handbags are on the list. So is pecorino, a hard, sharp Italian cheese. "In original leaves, not suitable for grating," European-made cotton bed linens are subject to potentially huge tariffs, along with sweaters, pullovers, sweat shirts, waistcoats and similar articles, although only those made "wholly of cashmere."

These European goods are among those targeted in the U.S. threat Monday to impose 100 percent tariffs in response to Europe's refusal to open its market to

bananas shipped by two American companies — Dole Food Co. and Chiquita Brands International. European banana quotas currently favor growers in former European colonies, a policy that the World Trade Organization has ruled violates trading rules. Perhaps mindful of not harming President Bill Clinton's job-approval ratings in the holiday season, the U.S. trade representative, Charlene Barshefsky, kept all wine off the list. But she included European-made bath salts, tapered candles and Mont Blanc pens, a step that one administration official said

would "hit them where it hurts."

One might think that amid impeachment, policymakers would give scant attention to the banana trade. But White House aides, eager to show that the president was not consumed with his own troubles, offered reporters details of how Mr. Clinton jostled last week with Sir Leon Brittan, Europe's insistent trade minister.

Alluding to Sir Leon's accent, the president declared that "the only thing that makes this discussion almost tolerable is listening to you pronounce 'banana-nas.'"

## CURRENCY & INTEREST RATES

Cross Rates									
	USD	EUR	GBP	JPY	AUD	NZD	HKD	TWD	THB
Australian	1.49	1.28	0.68	108.50	1.00	0.70	7.75	35.50	3.65
British	0.68	0.58	1.00	160.50	0.78	0.55	6.25	28.00	2.90
Canadian	0.72	0.62	0.34	108.50	1.00	0.70	7.75	35.50	3.65
French	1.66	1.00	0.65	166.67	1.00	0.70	7.75	35.50	3.65
German	1.93	1.00	0.63	193.33	1.00	0.70	7.75	35.50	3.65
Italian	1.93	1.00	0.63	193.33	1.00	0.70	7.75	35.50	3.65
Japanese	108.50	160.50	166.67	1.00	0.70	0.55	6.25	28.00	2.90
New York	1.00	0.70	0.34	108.50	1.00	0.70	7.75	35.50	3.65
Puerto Rico	1.00	0.70	0.34	108.50	1.00	0.70	7.75	35.50	3.65
Swiss	1.48	1.00	0.64	148.15	1.00	0.70	7.75	35.50	3.65
Taiwan	35.50	50.00	17.36	355.00	1.00	0.70	7.75	35.50	3.65
Thailand	3.65	5.00	1.37	365.00	1.00	0.70	7.75	35.50	3.65
U.S.	1.00	0.70	0.34	108.50	1.00	0.70	7.75	35.50	3.65
U.K.	0.68	0.58	1.00	160.50	0.78	0.55	6.25	28.00	2.90
Yen	108.50	160.50	166.67	1.00	0.70	0.55	6.25	28.00	2.90

Libor-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25
3-month	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
6-month	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75
9-month	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00
12-month	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25
18-month	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
24-month	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75
36-month	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
48-month	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25
3-month	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
6-month	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75
9-month	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00
12-month	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25
18-month	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
24-month	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75
36-month	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
48-month	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25

Other Dollar Values									
	USD	EUR	GBP	JPY	AUD	NZD	HKD	TWD	THB
Australian	1.49	1.28	0.68	108.50	1.00	0.70	7.75	35.50	3.65
British	0.68	0.58	1.00	160.50	0.78	0.55	6.25	28.00	2.90
Canadian	0.72	0.62	0.34	108.50	1.00	0.70	7.75	35.50	3.65
French	1.66	1.00	0.65	166.67	1.00	0.70	7.75	35.50	3.65
German	1.93	1.00	0.63	193.33	1.00	0.70	7.75	35.50	3.65
Italian	1.93	1.00	0.63	193.33	1.00	0.70	7.75	35.50	3.65
Japanese	108.50	160.50	166.67	1.00	0.70	0.55	6.25	28.00	2.90
New York	1.00	0.70	0.34	108.50	1.00	0.70	7.75	35.50	3.65
Puerto Rico	1.00	0.70	0.34	108.50	1.00	0.70	7.75	35.50	3.65
Swiss	1.48	1.00	0.64	148.15	1.00	0.70	7.75	35.50	3.65
Taiwan	35.50	50.00	17.36	355.00	1.00	0.70	7.75	35.50	3.65
Thailand	3.65	5.00	1.37	365.00	1.00	0.70	7.75	35.50	3.65
U.S.	1.00	0.70	0.34	108.50	1.00	0.70	7.75	35.50	3.65
U.K.	0.68	0.58	1.00	160.50	0.78	0.55	6.25	28.00	2.90
Yen	108.50	160.50	166.67	1.00	0.70	0.55	6.25	28.00	2.90

Forward Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25
3-month	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
6-month	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75
9-month	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00
12-month	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25
18-month	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
24-month	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75
36-month	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
48-month	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25



## Take a Dive



Brazil's dollar reserves, now \$49 billion after it received a fifth installment of nearly \$10 billion IMF aid in recent days, are still in decline. As of the end of last week, \$2.64 billion had flowed from foreign reserves.

Investors will be watching for new appointments that Mr. Cardoso is expected to make Wednesday. He is expected to create some new jobs in his cabinet, including a civilian minister of defense and, later, a minister of production.

But the most important announcements this week will involve appointments to head the oil company, Petroleo Brasileiro SA; a savings institution, the Caixa Economica Federal; the Banco do Brasil; and the National Bank for Development.

## Weak Tokyo Bond Market Lifts Dollar Against Yen

pean Central Bank, tried to end speculation that the bank would cut interest rates soon for the 11 nations adopting the euro, the new single currency.

The dollar rose to 1.6720 DM from 1.6711 on Monday.

The dollar strengthened against the European currency unit, pushing it down to \$1.7171 from \$1.7595 on Monday. The Ecu will be traded equally for the euro, the new single currency, in January.

The U.S. currency appeared to be largely unaffected by the Federal Reserve Board's decision to leave the benchmark U.S. interest rate unchanged at 4.75 percent, as expected.

Against other currencies, the dollar rose to 5.6059 French francs from 5.6025 francs and to 1.3636 Swiss francs from 1.3587 francs.

The pound fell to \$1.6800 from

## U. S. STOCK MARKET DIARY

[illegible]

121,201 Est. sales 30,822 Morris sales 42,893  
114,907 Morris open int 186,177, up 543

Feb 99	11.25	10.90	11.12	+0.10	117.527
Mar 99	11.25	10.90	11.12	+0.10	117.527

42,813	Mar 99	11.52	11.30	11.41	+0.08	54,017
1,207	Apr 99	11.78	11.67	11.69	+0.08	30,774
	May 99	12.05	11.86	11.96	+0.08	23,286
	Jun 99	12.30	12.10	12.20	+0.08	21,073

Jul 99	12.02	12.34	12.44	+0.08	22,323
Est. sales-65,734 Morris sales 156,541					
Morris man Jul 99 9.48					

**NATURAL GAS (MMBtu)**  
10,000 MM Btu. 1 per mm Btu

[illegible]

Est. sales 31,500 Morris sales 25,317  
Morris open int 105,045, up 2.4%

GASOL (GPI)						
U.S. dollars per metric ton - lots of 100 tons						
31.7%	Jan 99	95.25	92.50	94.75	+1.25	25.90
374	Feb 99	97.50	94.50	97.25	+1.25	25.65
303	Mar 99	99.75	96.75	99.50	+1.00	25.40
	Apr 99	101.50	100.75	101.25	+1.50	25.63
	May 99	104.00	102.50	103.50	+0.50	25.44
	Jun 99	106.00	105.25	105.50	+0.25	25.03
	Est. sales: 14,000.					Prev. sales: 14,574
	Prev. open bid: 141,730 per 107					

BRENT OIL (GPE)						
U.S. dollars per barrel - lots of 1,000 barrels						
685	Jan 99	10.05	9.80	9.80	+0.25	25.55
	Feb 99	10.20	9.95	10.14	+0.21	25.35

Mar 99	10.43	10.26	10.37	+0.27	10.418
Apr 99	10.63	10.52	10.61	+0.09	10.595
May 99	10.93	10.78	10.86	+0.19	10.878

5.775	Jun 99	11.10	11.06	11.11	+0.19	5.648
2.342	July 99	11.37	11.29	11.35	+0.06	2.477
1.701	Est. sales: 44,000, Prev. sales: 41,363					
666	Prev. open int.: 268,674 up 346					
602						

Stock Indexes						
SP COMP INDEX (CMAI)						
250 x index						
	Mar 99	1222.00	1203.50	1217.30	+1.70	305.64
	Jun 99	1230.00	1228.00	1220.00	+4.68	2.98
	Dec 99	1250.00	1244.00	1250.00	+2.90	1.67

47,712  
22,775  
16,844

57.21	1000 (LUFFED)		
57.22	1000 (LUFFED)		
57.23	1000 (LUFFED)		
57.24	1000 (LUFFED)		
57.25	1000 (LUFFED)		
57.26	1000 (LUFFED)		
57.27	1000 (LUFFED)		
57.28	1000 (LUFFED)		
57.29	1000 (LUFFED)		
57.30	1000 (LUFFED)		
57.31	1000 (LUFFED)		
57.32	1000 (LUFFED)		
57.33	1000 (LUFFED)		
57.34	1000 (LUFFED)		
57.35	1000 (LUFFED)		
57.36	1000 (LUFFED)		
57.37	1000 (LUFFED)		
57.38	1000 (LUFFED)		
57.39	1000 (LUFFED)		
57.40	1000 (LUFFED)		
57.41	1000 (LUFFED)		
57.42	1000 (LUFFED)		
57.43	1000 (LUFFED)		
57.44	1000 (LUFFED)		
57.45	1000 (LUFFED)		
57.46	1000 (LUFFED)		
57.47	1000 (LUFFED)		
57.48	1000 (LUFFED)		
57.49	1000 (LUFFED)		
57.50	1000 (LUFFED)		
57.51	1000 (LUFFED)		
57.52	1000 (LUFFED)		
57.53	1000 (LUFFED)		
57.54	1000 (LUFFED)		
57.55	1000 (LUFFED)		
57.56	1000 (LUFFED)		
57.57	1000 (LUFFED)		
57.58	1000 (LUFFED)		
57.59	1000 (LUFFED)		
57.60	1000 (LUFFED)		
57.61	1000 (LUFFED)		
57.62	1000 (LUFFED)		
57.63	1000 (LUFFED)		
57.64	1000 (LUFFED)		
57.65	1000 (LUFFED)		
57.66	1000 (LUFFED)		
57.67	1000 (LUFFED)		
57.68	1000 (LUFFED)		
57.69	1000 (LUFFED)		
57.70	1000 (LUFFED)		
57.71	1000 (LUFFED)		
57.72	1000 (LUFFED)		
57.73	1000 (LUFFED)		
57.74	1000 (LUFFED)		
57.75	1000 (LUFFED)		
57.76	1000 (LUFFED)		
57.77	1000 (LUFFED)		
57.78	1000 (LUFFED)		
57.79	1000 (LUFFED)		
57.80	1000 (LUFFED)		
57.81	1000 (LUFFED)		
57.82	1000 (LUFFED)		
57.83	1000 (LUFFED)		
57.84	1000 (LUFFED)		
57.85	1000 (LUFFED)		
57.86	1000 (LUFFED)		
57.87	1000 (LUFFED)		
57.88	1000 (LUFFED)		
57.89	1000 (LUFFED)		
57.90	1000 (LUFFED)		
57.91	1000 (LUFFED)		
57.92	1000 (LUFFED)		
57.93	1000 (LUFFED)		
57.94	1000 (LUFFED)		
57.95	1000 (LUFFED)		
57.96	1000 (LUFFED)		
57.97	1000 (LUFFED)		
57.98	1000 (LUFFED)		
57.99	1000 (LUFFED)		
58.00	1000 (LUFFED)		

Financial Futures Exchange, Inc.  
Petroleum Exchange.



## EUROPE

## Ladbroke to Sell Coral Units to Deutsche Bank

Compiled by Our Staff From Dispatches

LONDON—The hotel and gaming company Ladbroke Group PLC agreed Tuesday to sell the British operations of its Coral betting agency chain to a venture-capital unit of Deutsche Bank AG for £390 million (\$656.4 million).

Ladbroke agreed to sell the 827-strong Coral chain to a company backed by Morgan Grenfell Private Equity Ltd., the London-based venture capital division of Deutsche Morgan Grenfell, beating a bid from a rival venture fund, Civen Ltd.

Ladbroke, the largest British betting agency, with about 1,900 outlets, said it was satisfied with the price.

Nonetheless, the sale marks a less-than-satisfactory outcome to its involvement with Coral, which Ladbroke purchased from Bass PLC in December 1997 for £362.7 million.

Trade Secretary Peter Mandelson in September ordered Ladbroke to divest itself of the Coral chain, the third-largest in Britain, within six months, saying the acquisition would harm competition in the betting industry.

The contest for Coral came down to two players Friday after Ladbroke rejected a £375 million bid from Tote, a state-owned betting concern. "While we would have liked to have kept Coral, the excellent price that we have achieved indicates the long-term potential of the off-course betting industry, in which we remain the largest operator," said the chief executive of Ladbroke, Peter George.

Analysts agreed that Ladbroke had received a favorable price. "There was some concern there would be a fire-sale, but they made a useful profit," said John Curtis, a

director at Henderson Investors in London.

While Ladbroke's failed takeover of Coral has yielded a financial gain, it has thwarted the company's expansion plans.

The sale includes 827 betting shops, credit and telephone-betting activities and two greyhound racing tracks. It does not include 50 betting agencies in Ireland and eight on the island of Jersey, as well as a 5 percent stake in Satellite Information Services (Holdings) Ltd., a satellite horse-racing broadcaster.

The 58 agencies not included in the sale are to be rebranded as Ladbroke outlets. The group said its Satellite Information Services holding is being discussed with the Office of Fair Trading.

Ladbroke will use the proceeds of the sale to pay down debt and to develop its core hotel and gaming

activities. The transaction is subject to approval from European Union competition authorities and is expected to close in February.

"Ladbroke has done a good deal and the market should be pleased that this is behind it," said Ben Britz, an analyst at Morgan Stanley Dean Witter. The shares of Ladbroke rose 13 pence to 237 pence.

Coral posted a profit before interest and tax of around £40 million in the year of Ladbroke ownership.

In addition to its activities in Britain, Ladbroke has gaming operations in the Americas and the Middle East.

The group also owns exclusive rights to the Hilton Hotel brand outside the United States, and its Hilton International Co. unit operates more than 160 hotels in 50 nations. (Bridge News, Reuters, Bloomberg)

## Jobless Rate In Italy Hits 6-Year High

Compiled by Our Staff From Dispatches

ROME—The jobless rate in Italy climbed to a six-year peak in October, with a yawning north-south gap, the government said Tuesday.

Nationwide, unemployment rose to 12.6 percent from 11.9 in July and 12.4 percent in October 1997, according to the figures, which are reported quarterly. On a seasonally adjusted basis, however, the October rate was unchanged from July at 12.4 percent.

Italy has the highest jobless rate of the Group of Seven industrialized countries and second-highest after Spain among the 11 countries that are adopting the euro, the European single currency, on Jan. 1.

The problem is concentrated in the economically weak south of Italy. While 7.6 percent of the work force in central and northern Italy was jobless in October, on an unadjusted basis, the rate was more than three times as high in the south, at 23.2 percent.

The government blamed deteriorating conditions in the agricultural sector for the increase in joblessness in the south: the October rate compared with 22.5 percent unemployment in the south in July, when the center-north had a jobless rate of 6.9 percent.

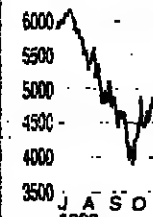
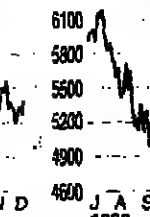
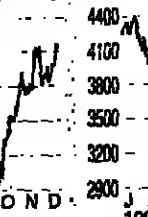
The new data were reported as government, unions and employers concluded a "social pact" designed to increase employment and help the economy by liberalizing the highly regulated labor market to make it more competitive internationally.

The accord renews a similar pact reached in 1993. The government has for years been trying to even out economic conditions between the north and south, so far to little avail.

"Clearly the picture is not a rosy one," said Maria Fornari, an economist at J.P. Morgan in Milan. "Until we see more flexibility in the labor market, I doubt that even with any pick-up in growth there will be a big turnaround in unemployment."

Membership in the single currency, analysts said, will end Italy's ability to support its export industry through currency devaluations. Without that tool, Italian unemployment is expected to be high next year. (Reuters, Bloomberg)

## Investor's Europe

Frankfurt DAX	London FTSE 100 index	Paris CAC 40		
				
J A S O N D 1998	J A S O N D 1998	J A S O N D 1998		
Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	1,155.35	1,152.65	+0.25
Brussels	BEL-20	3,474.79	3,905.99	-0.86
Frankfurt	DAX	4,825.38	4,780.93	+0.93
Copenhagen	Stock Market	625.51	618.14	+1.19
Helsinki	HEX General	5,199.65	5,165.57	+0.61
Oslo	OBX	478.37	466.42	+2.12
London	FTSE 100	5,543.06	5,576.50	-0.57
Madrid	Stock Exchange	847.74	841.82	+0.69
Milan	MIBTEL	227.93	226.49	+0.67
Paris	CAC 40	3,926.47	3,803.41	+0.45
Stockholm	GX 16	3,922.43	3,767.95	+1.47
Vienna	ATX	1,067.73	1,060.04	-0.21
Zurich	SPI	4,454.22	4,494.53	-0.89



## INTERNATIONAL INVESTING

## Beijing Raises Barriers for Foreign Companies in China

By John Pomfret  
Washington Post Service

BEIJING — The Chinese government is making life more difficult for foreign businesses trying to operate here, bringing Western enthusiasm about the China market to one of its lowest points in recent memory.

Quietly, almost stealthily, a new feeling of adversity has crept into U.S.-China business. Robert Kapp, the president of the U.S.-China Business Council, wrote in an essay last month, "Stated bluntly, the business environment in China is not improving."

The British and Canadian chambers of commerce also say that their members face difficulties.

This marks a significant turnaround from the mood in March, when the tough-talking Zhu Rongji took over as prime minister. Then, Western business circles pulsed with enthusiasm for Mr. Zhu, his reforms and the prospect of new openings.

Yet it has been Mr. Zhu who has spearheaded the actions that have concerned Western businesses and U.S. government officials.

China has announced strict controls on the movement of foreign exchange out of the country, bottling up hundreds of millions of dollars in payments made to foreign compa-

Foreign companies 'continue to rely upon the illusion that China is special and won't enforce openly promulgated laws and regulatory requirements,' said a Western lawyer in Beijing.

nies that sold products in China.

The government has warned Western companies to stop opening retail outlets without permission from the State Council, threatening to close more than 100 chains.

The government has effectively banned additional foreign investment in telecommunications networks, jeopardizing millions of dollars of investment by such Western companies as Nortel and Sprint Corp. of the United States, which sank \$50 million into a phone system in Tianjin, a bustling seaside metropolis 145 kilometers (90 miles) southeast of Beijing.

A Western embassy obtained a Chinese report that spells out a plan to limit sales of Western communications equipment to Chinese companies further by pressuring provincial phone companies to buy Chinese-made products.

Another Westerner said Beijing also planned to stop Western multinational companies from using trading companies established in Chinese export-processing zones

to bring their products into China.

In many of these cases, the Chinese are enforcing rules that had been on the books for years, and some economists and executives praised the moves as evidence that Beijing is serious about bolstering the rule of law.

But U.S. government officials and some businesses see the crackdown as an effort to limit foreign competition at a time when economic growth in China is slowing.

"These steps are definitely protectionist actions that will cause a reaction here," U.S. Commerce Secretary William Daley warned recently. "People can understand that our exports to Asia are down because of the crisis, but they won't understand additional steps by China to increase its exports and reduce its imports."

U.S. officials estimate that China this year will amass a trade surplus with the United States of more than \$60 billion. China puts the surplus at half that amount.

The Chinese probably believe that as long as the U.S. economy stays strong, "there won't be a political push to do anything" about the trade imbalance, Mr. Daley said. But, he added, if the situation does not change, "it will force us to respond somehow."

Western businessmen and economists who have lauded the recent Chinese moves say they signal that Beijing wants to insert a little backbone into laws that generally have been limp.

Most of the retail deals and the telecommunications investments in question were illegal under Chinese law. So was importing goods from Chinese export-processing zones. The foreign-exchange rules also have been on the books for years.

Nicholas Howson, a Western lawyer based in Beijing, said Chinese attention recently to direct foreign investment, securities trading and foreign exchange could herald a more serious effort to embrace the rule of law, at least in trade and investment spheres. "I really don't have that much sympathy for some of the injured foreign businesses," he said.

Mr. Howson added that the latest initiatives underscored a peculiarity in how Western companies conduct business here: "Many traders and investors enthusiastically ink or implement transactions which are plainly illegal or deeply flawed from a regulatory point

of view, all based upon an idea, often communicated by unscrupulous middlemen, that this is the Chinese way. They wouldn't act this way in a similarly exotic locale, such as Latin America or Eastern Europe. In China, they continue to rely upon the illusion that China is special and won't enforce openly promulgated laws and regulatory requirements."

Before the government began to crack down on smuggling in September, both U.S. companies and Chinese entrepreneurs had benefited from lax enforcement of laws requiring Chinese distributors to pay customs duties on imported goods. But the crackdown jacked up prices for foreign-made computer parts, chicken, electrical goods, medical equipment, fruit and dozens of other products that had rolled into China through the "gray market."

The action has cut into Western sales in China.

A report this month by International Data Corp. noted that Chinese-made computers now accounted for 23 percent of the Chinese market, up from 18 percent a year earlier, due in part to the crackdown. International Business Machines Corp., Hewlett-Packard Co. and Compaq Computer Corp. were getting squeezed slowly, the report said, because Chinese distributors now had to pay tariffs on these computers.

Western businessmen say they understand that China, surrounded by economies reeling from the Asian financial crisis, had to tighten central control of its economy.

Before the foreign-exchange crackdown, billions of dollars were being spirited abroad by Chinese businesses and officials worried about a crash or devaluation of the yuan. Chinese companies and banks also were accepting loans from foreign companies without regard to China's foreign-exchange holdings, causing concern that China could be hit by the type of financial crisis that struck South Korea a year ago.

But Western officials argue that the moves are being carried out in a way that is hurting legitimate business unnecessarily. Some Chinese banks, for example, have simply denied foreign firms access to their own bank accounts.

A U.S. diplomat said that the enforcement of the foreign-exchange rules would have a "substantial" negative effect on U.S.-China trade this year, a view seconded by the U.S.-China Business Council, which has conducted a survey on the issue. The British and Canadian chambers of commerce are conducting similar studies.

## CITICORP INVESTMENT MANAGEMENT (LUXEMBOURG) S.A.

58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg  
R.C. Luxembourg B 38087

Effective December 1, SNC Citi Gestion, Paris has been appointed Investment Manager for Citicorps 90, Citicorps 360 and Citicorps 720 in lieu of Citicorps N.A., London.

Citicorps Investment Management (Luxembourg) S.A.

## CITICURRENCIES S.A.

58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg  
R.C. Luxembourg B 23113

Effective December 1, 1998, Citicorps N.A. London has been appointed Investment Manager for Citicurrencies Pound Sterling Portfolio and SNC Citi Gestion, Paris Investment Manager for Citicurrencies DM Portfolio (Citicurrencies Euro Portfolio as from January 1, 1999) in lieu of Citicorps (Switzerland), Zurich.

Citicurrencies S.A.

■ How are automakers using Internet technology to communicate with dealers?

■ How does e-business make ordering a custom-built car easier?

If you missed the IHT's recent sponsored page on

## BUSINESS TO e-BUSINESS: AUTOMOTIVE

Fax or e-mail your mailing address for a free reprint.  
Fax: +33 1 43 92 13 77; E-mail: [supplements@iht.com](mailto:supplements@iht.com)

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

## CITIBOND SICAV

58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg  
R.C. Luxembourg B 32338

Effective December 1, 1998, Citicorps N.A. London has been appointed Investment Manager for Citibond, Sicav in lieu of Citicorps (Switzerland), Zurich.

Citibond Sicav

## CITI PORTFOLIOS S.A.

58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg  
R.C. Luxembourg B 28121

Effective December 1, 1998, Citicorps N.A. New York has been appointed Investment Manager for CitiPortfolios North American Dollar Bond CitiPortfolio in lieu of Citicorps (Switzerland), Zurich.

CitiPortfolios S.A.

## ADVERTISEMENT

## KANEKA CORPORATION (CDRe)

The undersigned companies, as from December 30, 1998, at 100, rue de la Loi, 1000 Brussels, Belgium, have entered into a joint venture to create a new company, Kaneka Corporation (CDRe), which will be a public limited company with a share capital of 100,000,000 Belgian francs, divided into 1,000,000 shares of 100 Belgian francs each.

AMSTERDAM DEPOSITARY COMPANY N.V.  
Amsterdam, December 18, 1998

Advertisement For information please contact:  
Katy Houris: Fax (+33) 1 43 92 12 or e-mail: [kathy@iht.com](mailto:kathy@iht.com)

## INTERNATIONAL FUNDS

To receive free daily quotations for your  
funds subscribe at: [funds@iht.com](mailto:funds@iht.com)

December 22, 1998

<http://www.iht.com/INTFUNFunds.html>

AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE FUND	1.00	AMERICAN EXPRESS WORLDWIDE
---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	---------------------------------	------	----------------------------



ASIA/PACIFIC

# Asians Fear Clinton Crisis May Affect Trade

By Michael Richardson  
International Herald Tribune

SINGAPORE — Asian countries fear the increasingly partisan politics in the United States that led to the impeachment of Bill Clinton will weaken American influence in Asia and unleash protectionist sentiment among lawmakers in Washington.

American protectionism could curb access to the region's key export market just when it is most needed, officials and analysts say. "We need constancy in American leadership on both the security and trade fronts," a Japanese diplomat said. "This is a very critical time for the region."

Many Asian and Pacific nations that are allies of the United States have close ties to the leading economic and military power are looking to continued American strategic engagement in the region and the maintenance of an open U.S. market for their goods. These, they feel, would stabilize a potentially volatile area during a period of recession and financial crisis.

Instead, they foresee a deeply distracted executive branch in Washington fighting for the political survival of the president against a Republican-dominated Congress that, they believe, seems likely to exploit the weakness of the administration by raising barriers to cheap Asian imports.

That trade is helping Asian economies to survive, but hurting U.S. manufacturers and their workers. The Straits Times of Singapore said Tuesday that the impeachment of the U.S. president would make it more difficult for proponents of the American Way to spread their message across the globe.

What stands revealed is the hand of bloody-minded adversarial

politics, which divides a nation within and paralyzes its workings abroad just when it is most needed," the newspaper said.

Even before the impeachment decision Saturday, senior U.S. officials were warning that huge trade deficits with East Asia could become flash points between the major Pacific trading partners and could Congress into raising barriers to Asian imports.

"If we have a weak administration, protectionists in Congress can more easily turn on the pressure," said Jusuf Wanandi, chairman of the board of the Center for Strategic and International Studies in Indonesia. "This is a big danger for East Asia just when there are tentative signs of recovery in several countries. Growth in the region needs a bigger push, and that can only come if the U.S. keeps its markets open."

Asian officials said they were concerned that if U.S. lawmakers imposed retaliatory trade measures, this could provoke China into open hostility toward the American mil-

itary presence in the region and strain the U.S. security alliance with Japan. China and several other countries in the region, among them Malaysia, have been calling for diminished U.S. influence.

China, the fastest-growing major economy in the world, has the most lopsided trading relationship with the United States, according to American officials.

The Chinese surplus is expected to top \$60 billion in 1998, surpassing the U.S. imbalance with Japan, which has long borne the brunt of American criticism — and sanctions — over trade.

Asian governments have made no official comment on the impeachment of Mr. Clinton. But analysts said that Japan, South Korea and other Asian countries close to the United States were worried that the debate politics would prolong the trial in the Senate for weeks if not months, further damaging U.S. prestige and undermining its ability to defuse potential trouble spots.

Such areas include the Korean peninsula, where North Korea is

suspected of pressing ahead with nuclear and missile programs, the standoff between China and Taiwan, and the rival claims of China, Taiwan and four Southeast Asian nations to the Spratly Islands in the South China Sea.

"The stage is set for the world's leading power to be distracted through much of next year by the politically convulsive process of impeachment and the disturbing allegations and evidence which will undoubtedly be aired," the Australian Financial Review said.

"This weakening of an already damaged presidency will compromise desperately needed American leadership on a range of crucial issues," it said.

Pran Chopra, an Indian political analyst, said American influence over Asia had been hurt. "It is a decline of Clinton's prestige," he told Reuters, "and with that goes the prestige of the U.S."

Shinichi Ichikawa, a strategist at Credit Lyonnais Securities, said, "The biggest worry is that we can't foresee when the trial will finish."

## Seoul Sells Bad Loans To U.S. Fund

By Michael Richardson

SEOUL — South Korea stepped ahead of its Asian neighbors Tuesday in finding foreigners to buy bad loans, selling a controlling stake in a \$470 million portfolio of debt and foreclosed property offered at auction to a U.S. fund.

Korea Asset Management Corp., a government agency known as Kamco, said it had sold control of the portfolio for 141 billion won (\$118.2 million) — about 35.6 percent of face value — to Lone Star Fund LP, a Texas-based investment partnership.

The sale, coming at a better-than-expected price and about a week after a similar auction in Thailand flopped, is good news for South Korean banks and could help other countries hit by the Asian financial crisis sell off billions of dollars of bad loans, bankers said.

"The fact that it was done shows that someone is willing to take the plunge, that a foreign investor is willing to bet on the revival of the Korean economy," said Dai Chang Song, an assistant general manager at Korea First Bank in Seoul.

The portfolio had been expected to bring 30 percent of face value. Lone Star, which was advised by Merrill Lynch & Co., beat out two other bidders, Goldman Sachs & Co. and Bankers Trust Corp., both of which had been in the running for a New York-based real estate firm.

The fund is buying a 70 percent stake in a portfolio of bad loans that are secured on 1,500 individual residential, commercial and other properties. Kamco will own the other 30 percent.

## Creditors Reject PAL's Plan

Compiled by Our Staff From Dispatches

MANILA — Philippine Airlines Inc.'s European creditors rejected Tuesday a rehabilitation plan proposed by the country's debt-strapped flag carrier, casting doubt on whether it can survive.

The creditors control leases on 12 Airbus jets, which constitute more than half of the 22 planes PAL would continue flying under its survival plan.

Credit Agricole Indosuez, which represents the creditors, said the airline's recovery plan failed to include the entry of a new partner, or \$200 million in new capital — both of

which, creditors say, are critical for the airline's recovery.

"The presence of a strategic partner is of paramount importance for a viable rehabilitation of PAL," Credit Agricole told the Philippines Securities and Exchange Commission. "It would not be possible for lessors to support the rehabilitation plan as currently drafted."

PAL has held talks separately with Cathay Pacific Airways Ltd. and Northwest Airlines Corp. on forging a strategic partnership. But both sets of talks broke down this month. (Bloomberg/Reuters)

## Li Ka-shing's Son To Take the Reins

By Michael Richardson

HONG KONG — Li Ka-shing, the Hong Kong billionaire, will hand over day-to-day control of his businesses to his eldest son, Victor Li, on Jan. 1, Cheung Kong (Holdings) Ltd. said Tuesday.

Mr. Li's empire includes the conglomerate Hutchison Whampoa Ltd., Hong Kong's second-largest company, Cheung Kong controls Hutchison.

## Investor's Asia



## Very briefly:

- Hong Kong retail sales dropped 20 percent in October from a year earlier, the 12th straight monthly decline. Sales were estimated at 15.8 billion Hong Kong dollars (\$2.04 billion), up from 15.3 billion dollars estimated for September.
- The Philippines' unemployment rate rose to 9.6 percent in October from 7.9 percent a year before, as jobs were cut in manufacturing and construction. The rate is not seasonally adjusted and varies widely at different times of the year. Separately, the government predicted economic growth of 3.1 percent to 3.5 percent in 1999, after estimated growth of 0.5 to 1.0 percent this year.
- India's Parliament introduced a plan to allow companies to buy back as much as 25 percent of their shares.
- The United States has expressed concern that Japan's decision to impose tariffs on rice imports could spark friction. U.S. officials are still assessing the Japanese move.

Advertisement

For information please contact:  
Kaitai Hour: Fax (33-1) 41 43 92 12 or e-mail: funds@kmt.com

INTERNATIONAL FUNDS

To receive free daily quotations for your  
funds subscribe at: e-funds@kmt.com

December 22, 1998

http://www.fundsinvest.com

112 AMERILYN LYNCH BANK (US) \$1.00	113 AMERILYN LYNCH BANK (US) \$1.00	114 AMERILYN LYNCH BANK (US) \$1.00	115 AMERILYN LYNCH BANK (US) \$1.00	116 AMERILYN LYNCH BANK (US) \$1.00	117 AMERILYN LYNCH BANK (US) \$1.00	118 AMERILYN LYNCH BANK (US) \$1.00	119 AMERILYN LYNCH BANK (US) \$1.00	120 AMERILYN LYNCH BANK (US) \$1.00	121 AMERILYN LYNCH BANK (US) \$1.00
122 AMERILYN LYNCH BANK (US) \$1.00	123 AMERILYN LYNCH BANK (US) \$1.00	124 AMERILYN LYNCH BANK (US) \$1.00	125 AMERILYN LYNCH BANK (US) \$1.00	126 AMERILYN LYNCH BANK (US) \$1.00	127 AMERILYN LYNCH BANK (US) \$1.00	128 AMERILYN LYNCH BANK (US) \$1.00	129 AMERILYN LYNCH BANK (US) \$1.00	130 AMERILYN LYNCH BANK (US) \$1.00	131 AMERILYN LYNCH BANK (US) \$1.00
132 AMERILYN LYNCH BANK (US) \$1.00	133 AMERILYN LYNCH BANK (US) \$1.00	134 AMERILYN LYNCH BANK (US) \$1.00	135 AMERILYN LYNCH BANK (US) \$1.00	136 AMERILYN LYNCH BANK (US) \$1.00	137 AMERILYN LYNCH BANK (US) \$1.00	138 AMERILYN LYNCH BANK (US) \$1.00	139 AMERILYN LYNCH BANK (US) \$1.00	140 AMERILYN LYNCH BANK (US) \$1.00	141 AMERILYN LYNCH BANK (US) \$1.00
142 AMERILYN LYNCH BANK (US) \$1.00	143 AMERILYN LYNCH BANK (US) \$1.00	144 AMERILYN LYNCH BANK (US) \$1.00	145 AMERILYN LYNCH BANK (US) \$1.00	146 AMERILYN LYNCH BANK (US) \$1.00	147 AMERILYN LYNCH BANK (US) \$1.00	148 AMERILYN LYNCH BANK (US) \$1.00	149 AMERILYN LYNCH BANK (US) \$1.00	150 AMERILYN LYNCH BANK (US) \$1.00	151 AMERILYN LYNCH BANK (US) \$1.00
152 AMERILYN LYNCH BANK (US) \$1.00	153 AMERILYN LYNCH BANK (US) \$1.00	154 AMERILYN LYNCH BANK (US) \$1.00	155 AMERILYN LYNCH BANK (US) \$1.00	156 AMERILYN LYNCH BANK (US) \$1.00	157 AMERILYN LYNCH BANK (US) \$1.00	158 AMERILYN LYNCH BANK (US) \$1.00	159 AMERILYN LYNCH BANK (US) \$1.00	160 AMERILYN LYNCH BANK (US) \$1.00	161 AMERILYN LYNCH BANK (US) \$1.00
162 AMERILYN LYNCH BANK (US) \$1.00	163 AMERILYN LYNCH BANK (US) \$1.00	164 AMERILYN LYNCH BANK (US) \$1.00	165 AMERILYN LYNCH BANK (US) \$1.00	166 AMERILYN LYNCH BANK (US) \$1.00	167 AMERILYN LYNCH BANK (US) \$1.00	168 AMERILYN LYNCH BANK (US) \$1.00	169 AMERILYN LYNCH BANK (US) \$1.00	170 AMERILYN LYNCH BANK (US) \$1.00	171 AMERILYN LYNCH BANK (US) \$1.00
172 AMERILYN LYNCH BANK (US) \$1.00	173 AMERILYN LYNCH BANK (US) \$1.00	174 AMERILYN LYNCH BANK (US) \$1.00	175 AMERILYN LYNCH BANK (US) \$1.00	176 AMERILYN LYNCH BANK (US) \$1.00	177 AMERILYN LYNCH BANK (US) \$1.00	178 AMERILYN LYNCH BANK (US) \$1.00	179 AMERILYN LYNCH BANK (US) \$1.00	180 AMERILYN LYNCH BANK (US) \$1.00	181 AMERILYN LYNCH BANK (US) \$1.00
182 AMERILYN LYNCH BANK (US) \$1.00	183 AMERILYN LYNCH BANK (US) \$1.00	184 AMERILYN LYNCH BANK (US) \$1.00	185 AMERILYN LYNCH BANK (US) \$1.00	186 AMERILYN LYNCH BANK (US) \$1.00	187 AMERILYN LYNCH BANK (US) \$1.00	188 AMERILYN LYNCH BANK (US) \$1.00	189 AMERILYN LYNCH BANK (US) \$1.00	190 AMERILYN LYNCH BANK (US) \$1.00	191 AMERILYN LYNCH BANK (US) \$1.00
192 AMERILYN LYNCH BANK (US) \$1.00	193 AMERILYN LYNCH BANK (US) \$1.00	194 AMERILYN LYNCH BANK (US) \$1.00	195 AMERILYN LYNCH BANK (US) \$1.00	196 AMERILYN LYNCH BANK (US) \$1.00	197 AMERILYN LYNCH BANK (US) \$1.00	198 AMERILYN LYNCH BANK (US) \$1.00	199 AMERILYN LYNCH BANK (US) \$1.00	200 AMERILYN LYNCH BANK (US) \$1.00	201 AMERILYN LYNCH BANK (US) \$1.00
202 AMERILYN LYNCH BANK (US) \$1.00	203 AMERILYN LYNCH BANK (US) \$1.00	204 AMERILYN LYNCH BANK (US) \$1.00	205 AMERILYN LYNCH BANK (US) \$1.00	206 AMERILYN LYNCH BANK (US) \$1.00	207 AMERILYN LYNCH BANK (US) \$1.00	208 AMERILYN LYNCH BANK (US) \$1.00	209 AMERILYN LYNCH BANK (US) \$1.00	210 AMERILYN LYNCH BANK (US) \$1.00	211 AMERILYN LYNCH BANK (US) \$1.00
212 AMERILYN LYNCH BANK (US) \$1.00	213 AMERILYN LYNCH BANK (US) \$1.00	214 AMERILYN LYNCH BANK (US) \$1.00	215 AMERILYN LYNCH BANK (US) \$1.00	216 AMERILYN LYNCH BANK (US) \$1.00	217 AMERILYN LYNCH BANK (US) \$1.00	218 AMERILYN LYNCH BANK (US) \$1.00	219 AMERILYN LYNCH BANK (US) \$1.00	220 AMERILYN LYNCH BANK (US) \$1.00	221 AMERILYN LYNCH BANK (US) \$1.00
222 AMERILYN LYNCH BANK (US) \$1.00	223 AMERILYN LYNCH BANK (US) \$1.00	224 AMERILYN LYNCH BANK (US) \$1.00	225 AMERILYN LYNCH BANK (US) \$1.00	226 AMERILYN LYNCH BANK (US) \$1.00	227 AMERILYN LYNCH BANK (US) \$1.00	228 AMERILYN LYNCH BANK (US) \$1.00	229 AMERILYN LYNCH BANK (US) \$1.00	230 AMERILYN LYNCH BANK (US) \$1.00	231 AMERILYN LYNCH BANK (US) \$1.00
232 AMERILYN LYNCH BANK (US) \$1.00	233 AMERILYN LYNCH BANK (US) \$1.00	234 AMERILYN LYNCH BANK (US) \$1.00	235 AMERILYN LYNCH BANK (US) \$1.00	236 AMERILYN LYNCH BANK (US) \$1.00	237 AMERILYN LYNCH BANK (US) \$1.00	238 AMERILYN LYNCH BANK (US) \$1.00	239 AMERILYN LYNCH BANK (US) \$1.00	240 AMERILYN LYNCH BANK (US) \$1.00	241 AMERILYN LYNCH BANK (US) \$1.00
242 AMERILYN LYNCH BANK (US) \$1.00	243 AMERILYN LYNCH BANK (US) \$1.00	244 AMERILYN LYNCH BANK (US) \$1.00	245 AMERILYN LYNCH BANK (US) \$1.00	246 AMERILYN LYNCH BANK (US) \$1.00	247 AMERILYN LYNCH BANK (US) \$1.00	248 AMERILYN LYNCH BANK (US) \$1.00	249 AMERILYN LYNCH BANK (US) \$1.00	250 AMERILYN LYNCH BANK (US) \$1.00	251 AMERILYN LYNCH BANK (US) \$1.00
252 AMERILYN LYNCH BANK (US) \$1.00	253 AMERILYN LYNCH BANK (US) \$1.00	254 AMERILYN LYNCH BANK (US) \$1.00	255 AMERILYN LYNCH BANK (US) \$1.00	256 AMERILYN LYNCH BANK (US) \$1.00	257 AMERILYN LYNCH BANK (US) \$1.00	258 AMERILYN LYNCH BANK (US) \$1.00	259 AMERILYN LYNCH BANK (US) \$1.00	260 AMERILYN LYNCH BANK (US) \$1.00	261 AMERILYN LYNCH BANK (US) \$1.00
262 AMERILYN LYNCH BANK (US) \$1.00	263 AMERILYN LYNCH BANK (US) \$1.00	264 AMERILYN LYNCH BANK (US) \$1.00	265 AMERILYN LYNCH BANK (US) \$1.00	266 AMERILYN LYNCH BANK (US) \$1.00	267 AMERILYN LYNCH BANK (US) \$1.00	268 AMERILYN LYNCH BANK (US) \$1.00	269 AMERILYN LYNCH BANK (US) \$1.00	270 AMERILYN LYNCH BANK (US) \$1.00	271 AMERILYN LYNCH BANK (US) \$1.00
272 AMERILYN LYNCH BANK (US) \$1.00	273 AMERILYN LYNCH BANK (US) \$1.00	274 AMERILYN LYNCH BANK (US) \$1.00	275 AMERILYN LYNCH BANK (US) \$1.00	276 AMERILYN LYNCH BANK (US) \$1.00	277 AMERILYN LYNCH BANK (US) \$1.00	278 AMERILYN LYNCH BANK (US) \$1.00	279 AMERILYN LYNCH BANK (US) \$1.00	280 AMERILYN LYNCH BANK (US) \$1.00	281 AMERILYN LYNCH BANK (US) \$1.00
282 AMERILYN LYNCH BANK (US) \$1.00	283 AMERILYN LYNCH BANK (US) \$1.00	284 AMERILYN LYNCH BANK (US) \$1.00	285 AMERILYN LYNCH BANK (US) \$1.00	286 AMERILYN LYNCH BANK (US) \$1.00	287 AMERILYN LYNCH BANK (US) \$1.00	288 AMERILYN LYNCH BANK (US) \$1.00	289 AMERILYN LYNCH BANK (US) \$1.00	290 AMERILYN LYNCH BANK (US) \$1.00	291 AMERILYN LYNCH BANK (US) \$1.00
292 AMERILYN LYNCH BANK (US) \$1.00	293 AMERILYN LYNCH BANK (US) \$1.00	294 AMERILYN LYNCH BANK (US) \$1.00	295 AMERILYN LYNCH BANK (US) \$1.00	296 AMERILYN LYNCH BANK (US) \$1.00	297 AMERILYN LYNCH BANK (US) \$1.00	298 AMERILYN LYNCH BANK (US) \$1.00	299 AMERILYN LYNCH BANK (US) \$1.00	300 AMERILYN LYNCH BANK (US) \$1.00	301 AMERILYN LYNCH BANK (US) \$1.00
302 AMERILYN LYNCH BANK (US) \$1.00	303 AMERILYN LYNCH BANK (US) \$1.00	304 AMERILYN LYNCH BANK (US) \$1.00	305 AMERILYN LYNCH BANK (US) \$1.00	306 AMERILYN LYNCH BANK (US) \$1.00	307 AMERILYN LYNCH BANK (US) \$1.00	308 AMERILYN LYNCH BANK (US) \$1.00	309 AMERILYN LYNCH BANK (US) \$1.00	310 AMERILYN LYNCH BANK (US) \$1.00	311 AMERILYN LYNCH BANK (US) \$1.00
312 AMERILYN LYNCH BANK (US) \$1.00	313 AMERILYN LYNCH BANK (US) \$1.00	314 AMERILYN LYNCH BANK (US) \$1.00	315 AMERILYN LYNCH BANK (US) \$1.00	316 AMERILYN LYNCH BANK (US) \$1.00	317 AMERILYN LYNCH BANK (US) \$1.00	318 AMERILYN LYNCH BANK (US) \$1.00	319 AMERILYN LYNCH BANK (US) \$1.00	320 AMERILYN LYNCH BANK (US) \$1.00	321 AMERILYN LYNCH BANK (US) \$1.00
322 AMERILYN LYNCH BANK (US) \$1.00	323 AMERILYN LYNCH BANK (US) \$1.00	324 AMERILYN LYNCH BANK (US) \$1.00	325 AMERILYN LYNCH BANK (US) \$1.00	326 AMERILYN LYNCH BANK (US) \$1.00	327 AMERILYN LYNCH BANK (US) \$1.00	328 AMERILYN LYNCH BANK (US) \$1.00	329 AMERILYN LYNCH BANK (US) \$1.00	330 AMERILYN LYNCH BANK (US) \$1.00	331 AMERILYN LYNCH BANK (US) \$1.00
332 AMERILYN LYNCH BANK (US) \$1.00	333 AMERILYN LYNCH BANK (US) \$1.00	334 AMERILYN LYNCH BANK (US) \$1.00	335 AMERILYN LYNCH BANK (US) \$1.00	336 AMERILYN LYNCH BANK (US) \$1.00	337 AMERILYN LYNCH BANK (US) \$1.00	338 AMERILYN LYNCH BANK (US) \$1.00	339 AMERILYN LYNCH BANK (US) \$1.00	340 AMERILYN LYNCH BANK (US) \$1.00	341 AMERILYN LYNCH BANK (US) \$1.00
342 AMERILYN LYNCH BANK (US) \$1.00	343 AMERILYN LYNCH BANK (US) \$1.00	344 AMERILYN LYNCH BANK (US) \$1.00	345 AMERILYN LYNCH BANK (US) \$1.00	346 AMERILYN LYNCH BANK (US) \$1.00	347 AMERILYN LYNCH BANK (US) \$1.00	348 AMERILYN LYNCH BANK (US) \$1.00	349 AMERILYN LYNCH BANK (US) \$1.00	350 AMERILYN LYNCH BANK (US) \$1.00	351 AMERILYN LYNCH BANK (US) \$1.00
352 AMERILYN LYNCH BANK (US) \$1.00	353 AMERILYN LYNCH BANK (US) \$1.00	354 AMERILYN LYNCH BANK (US) \$1.00	355 AMERILYN LYNCH BANK (US) \$1.00	356 AMERILYN LYNCH BANK (US) \$1.00	357 AMERILYN LYNCH BANK (US) \$1.00	358 AMERILYN LYNCH BANK (US) \$1.00	359 AMERILYN LYNCH BANK (US) \$1.00	360 AMERILYN LYNCH BANK (US) \$1.00	361 AMERILYN LYNCH BANK (US) \$1.00
362 AMERILYN LYNCH BANK (US) \$1.00	363 AMERILYN LYNCH BANK (US) \$1.00	364 AMERILYN LYNCH BANK (US) \$1.00	365 AMERILYN LYNCH BANK (US) \$1.00	366 AMERILYN LYNCH BANK (US) \$1.00	367 AMERILYN LYNCH BANK (US) \$1.00	368 AMERILYN LYNCH BANK (US) \$1.00	369 AMERILYN LYNCH BANK (US) \$1.00	370 AMERILYN LYNCH BANK (US) \$1.00	371 AMERILYN LYNCH BANK (US) \$1.00
372 AMERILYN LYNCH BANK (US) \$1.00	373 AMERILYN LYNCH BANK (US) \$1.00	374 AMERILYN LYNCH BANK (US) \$1.00	375 AMERILYN LYNCH BANK (US) \$1.00	376 AMERILYN LYNCH BANK (US) \$1.00	377 AMERILYN LYNCH BANK (US) \$1.00	378 AMERILYN LYNCH BANK (US) \$1.00	379 AMERILYN LYNCH BANK (US) \$1.00	380 AMERILYN LYNCH BANK (US) \$1.00	381 AMERILYN LYNCH BANK (US) \$1.00
382 AMERILYN LYNCH BANK (US) \$1.00	383 AMERILYN LYNCH BANK (US) \$1.00	384 AMERILYN LYNCH BANK (US) \$1.00	385 AMERILYN LYNCH BANK (US) \$1.00	386 AMERILYN LYNCH BANK (US) \$1.00	387 AMERILYN LYNCH BANK (US) \$1.00	388 AMERILYN LYNCH BANK (US) \$1.00	389 AMERILYN LYNCH BANK (US) \$1.00	390 AMERILYN LYNCH BANK (US) \$1.00	391 AMERILYN LYNCH BANK (US) \$1.00
392 AMERILYN LYNCH BANK (US) \$1.00	393 AMERILYN LYNCH BANK (US) \$1.00	394 AMERILYN LYNCH BANK (US) \$1.00	395 AMERILYN LYNCH BANK (US) \$1.00	396 AMERILYN LYNCH BANK (US) \$1.00	397 AMERILYN LYNCH BANK (US) \$1.00	398 AMERILYN LYNCH BANK (US) \$1.00	399 AMERILYN LYNCH BANK (US) \$1.00	400 AMERILYN LYNCH BANK (US) \$1.00	401 AMERILYN LYNCH BANK (US) \$1.00
402 AMERILYN LYNCH BANK (US) \$1.00	403 AMERILYN LYNCH BANK (US) \$1.00	404 AMERILYN LYNCH BANK (US) \$1.00	405 AMERILYN LYNCH BANK (US) \$1.00	406 AMERILYN LYNCH BANK (US) \$1.00	407 AMERILYN LYNCH BANK (US) \$1.00	408 AMERILYN LYNCH BANK (US) \$1.00	409 AMERILYN LYNCH BANK (US) \$1.00	410 AMERILYN LYNCH BANK (US) \$1.00	411 AMERILYN LYNCH BANK (US) \$1.00
412 AMERILYN LYNCH BANK (US) \$1.00	413 AMERILYN LYNCH BANK (US) \$1.00	414 AMERILYN LYNCH BANK (US) \$1.00	415 AMERILYN LYNCH BANK (US) \$1.00	416 AMERILYN LYNCH BANK (US) \$1.00	417 AMERILYN LYNCH BANK (US) \$1.00	418 AMERILYN LYNCH BANK (US) \$1.00	419 AMERILYN LYNCH BANK (US) \$1.00	420 AMERILYN LYNCH BANK (US) \$1.00	421 AMERILYN LYNCH BANK (US) \$1.00
422 AMERILYN LYNCH BANK (US) \$1.00	423 AMERILYN LYNCH BANK (US) \$1.00	424 AMERILYN LYNCH BANK (US) \$1.00	425 AMERILYN LYNCH BANK (US) \$1.00	426 AMERILYN LYNCH BANK (US) \$1.00	427 AMERILYN LYNCH BANK (US) \$1.00	428 AMERILYN LYNCH BANK (US) \$1.00	429 AMERILYN LYNCH BANK (US) \$1.00	430 AMERILYN LYNCH BANK (US) \$1.00	431 AMERILYN LYNCH BANK (US) \$1.00
432 AMERILYN LYNCH BANK (US) \$1.00	433 AMERILYN LYNCH BANK (US) \$1.00	434 AMERILYN LYNCH BANK (US) \$1.00	435 AMERILYN LYNCH BANK (US) \$1.00	436 AMERILYN LYNCH BANK (US) \$1.00	437 AMERILYN LYNCH BANK (US) \$1.00	438 AMERILYN LYNCH BANK (US) \$1.00	439 AMERILYN LYNCH BANK (US) \$1.00	440 AMERILYN LYNCH BANK (US) \$1.00	441 AMERILYN LYNCH BANK (US) \$1.00
442 AMERILYN LYNCH BANK (US) \$1.00	443 AMERILYN LYNCH BANK (US) \$1.00	444 AMERILYN LYNCH BANK (US) \$1.00	445 AMERILYN LYNCH BANK (US) \$1.00	446 AMERILYN LYNCH BANK (US) \$1.00	447 AMERILYN LYNCH BANK (US) \$1.00	448 AMERILYN LYNCH BANK (US) \$1.00	449 AMERILYN LYNCH BANK (US) \$1.00	450 AMERILYN LYNCH BANK (US) \$1.00	451 AMERILYN LYNCH BANK (US) \$1.00
452 AMERILYN LYNCH BANK (US) \$1.00	453 AMERILYN LYNCH BANK (US) \$1.00	454 AMERILYN LYNCH BANK (US) \$1.00	455 AMERILYN LYNCH BANK (US) \$1.00	456 AMERILYN LYNCH BANK (US) \$1.00	457 AMERILYN LYNCH BANK (US) \$1.00	458 AMERILYN LYNCH BANK (US) \$1.00	459 AMERILYN LYNCH BANK (US) \$1.00	460 AMERILYN LYNCH BANK (US) \$1.00	461 AMERILYN LYNCH BANK (US) \$1.00
462 AMERILYN LYNCH BANK (US) \$1.00	463 AMERILYN LYNCH BANK (US) \$1.00	464 AMERILYN LYNCH BANK (US) \$1.00	465 AMERILYN LYNCH BANK (US) \$1.00	466 AMERILYN LYNCH BANK (US) \$1.00	467 AMERILYN LYNCH BANK (US) \$1.00	468 AMERILYN LYNCH BANK (US) \$1.00	469 AMERILYN LYNCH BANK (US) \$1.00	470 AMERILYN LYNCH BANK (US) \$1.00	471 AMERILYN LYNCH BANK (US) \$1.00
472 AMERILYN LYNCH BANK (US) \$1.00	473 AMERILYN LYNCH BANK (US) \$1.00	474 AMERILYN LYNCH BANK (US) \$1.00	475 AMERILYN LYNCH BANK (US) \$1.00	476 AMERILYN LYNCH BANK (US) \$1.00	477 AMERILYN LYNCH BANK (US) \$1.00	478 AMERILYN LYNCH BANK (US) \$1.00	479 AMERILYN LYNCH BANK (US) \$1.00	480 AMERILYN LYNCH BANK (US) \$1.00	481 AMERILYN LYNCH BANK (US) \$1.00
482 AMERILYN LYNCH BANK (US) \$1.00	483 AMERILYN LYNCH BANK (US) \$1.00	484 AMERILYN LYNCH BANK (US) \$1.00	485 AMERILYN LYNCH BANK (US) \$1.00	486 AMERILYN LYNCH BANK (US) \$1.00	487 AMERILYN LYNCH BANK (US) \$1.00	488 AMERILYN LYNCH BANK (US) \$1.00	489 AMERILYN LYNCH BANK (US) \$1.00	490 AMERILYN LYNCH BANK (US) \$1.00	491 AMERILYN LYNCH BANK (US) \$1.00
492 AMERILYN LYNCH BANK (US) \$1.00	493 AMERILYN LYNCH BANK (US) \$1.00	494 AMERILYN LYNCH BANK (US) \$1.00	495 AMERILYN LYNCH BANK (US) \$1.00	496 AMERILYN LYNCH BANK (US) \$1.00	497 AMERILYN LYNCH BANK (US) \$1.00	498 AMERILYN LYNCH BANK (US) \$1.00	499 AMERILYN LYNCH BANK (US) \$1.00	500 AMERILYN LYNCH BANK (US) \$1.00	501 AMERILYN LYNCH BANK (US) \$1.00
502 AMERILYN LYNCH BANK (US) \$1.00	503 AMERILYN LYNCH BANK (US) \$1.00	504 AMERILYN LYNCH BANK (US) \$1.00	505 AMERILYN LYNCH BANK (US) \$1.00	506 AMERILYN LYNCH BANK (US) \$1.00	507 AMERILYN LYNCH BANK (US) \$1.00	508 AMERILYN LYNCH BANK (US) \$1.00	509 AMERILYN LYNCH BANK (US) \$1.00	510 AMERILYN LYNCH BANK (US) \$1.00	511 AMERILYN LYNCH BANK (US) \$1.00
512 AMERILYN LYNCH BANK (US) \$1.00	513 AMERILYN LYNCH BANK (US) \$1.00	514 AMERILYN LYNCH BANK (US) \$1.00	515 AMERILYN LYNCH BANK (US) \$1.00	516 AMERILYN LYNCH BANK (US) \$1.00	517 AMERILYN LYNCH BANK (US) \$1.00	518 AMERILYN LYNCH BANK (US) \$1.00	519 AMERILYN LYNCH BANK (US) \$1.00	520 AMERILYN LYNCH BANK (US) \$1.00	521 AMERILYN LYNCH BANK (US) \$1.00
522 AMERILYN LYNCH BANK (US) \$1.00	523 AMERILYN LYNCH BANK (US) \$1.00	524 AMERILYN LYNCH BANK (US) \$1.00	525 AMERILYN LYNCH BANK (US) \$1.00	526 AMERILYN LYNCH BANK (US) \$1.00	527 AMERILYN LYNCH BANK (US) \$1.00	528 AMERILYN LYNCH BANK (US) \$1.00	529 AMERILYN LYNCH BANK (US) \$1.00	530 AMERILYN LYNCH BANK (US) \$1.00	531 AMERILYN LYNCH BANK (US) \$1.00
532 AMERILYN LYNCH BANK (US) \$1.00	533 AMERILYN LYNCH BANK (US) \$1.00	534 AMERILYN LYNCH BANK (US) \$1.00	535 AMERILYN LYNCH BANK (US) \$1.00	536 AMERILYN LYNCH BANK (US) \$1.00	537 AMERILYN LYNCH BANK (US) \$1.00	538 AMERILYN LYNCH BANK (US) \$1.00	539 AMERILYN LYNCH BANK (US) \$1.00	540 AMERILYN LYNCH BANK (US) \$1.00	541 AMERILYN LYNCH BANK (US) \$1.00
542 AMERILYN LYNCH BANK (US) \$1.00	543 AMERILYN LYNCH BANK (US) \$1.00	544 AMERILYN LYNCH BANK (US) \$1.00	545 AMERILYN LYNCH BANK (US) \$1.00	546 AMERILYN LYNCH BANK (US) \$1.00	547 AMERILYN LYNCH BANK (US) \$1.00	548 AMERILYN LYNCH BANK (US) \$1.00	549 AMERILYN LYNCH BANK (US) \$1.00	550 AMERILYN LYNCH BANK (US) \$1.00	551 AMERILYN LYNCH BANK (US) \$1.00
552 AMERILYN LYNCH BANK (US) \$1.00	553 AMERILYN LYNCH BANK (US) \$1.00	554 AMERILYN LYNCH BANK (US) \$1.00	555 AMERILYN LYNCH BANK (US) \$1.00	556 AMERILYN LYNCH BANK (US) \$1.00	557 AMERILYN LYNCH BANK (US) \$1.00	558 AMERILYN LYNCH BANK (US) \$1.00	559 AMERILYN LYNCH BANK (US) \$1.00	560 AMERILYN LYNCH BANK (US) \$1.00	561 AMERILYN LYNCH BANK (US) \$1.00
562 AMERILYN LYNCH BANK (US) \$1.00	563 AMERILYN LYNCH BANK (US) \$1.00	564 AMERILYN LYNCH BANK (US) \$1.00	565 AMERILYN LYNCH BANK (US) \$1.00	566 AMERILYN LYNCH BANK (US) \$1.00	567 AMERILYN LYNCH BANK (US) \$1.00	568 AMERILYN LYNCH BANK (US) \$1.00	569 AMERILYN LYNCH BANK (US) \$1.00	570 AMERILYN LYNCH BANK (US) \$1.00	571 AMERILYN LYNCH BANK (US) \$1.00
572 AMERILYN LYNCH BANK (US) \$1.00	573 AMERILYN LYNCH BANK (US) \$1.00	574 AMERILYN LYNCH BANK (US) \$1.00	575 AMERILYN LYNCH BANK (US) \$1.00	576 AMERILYN LYNCH BANK (US) \$1.00	577 AMERILYN LYNCH BANK (US) \$1.00	578 AMERILYN LYNCH BANK (US) \$1.00	579 AMERILYN LYNCH BANK (US) \$1.00	580 AMERILYN LYNCH BANK (US) \$1.00	581 AMERILYN LYNCH BANK (US) \$1.00
582 AMERILYN LYNCH BANK (US) \$1.00	583 AMERILYN LYNCH BANK (US) \$1.00	584 AMERILYN LYNCH BANK (US) \$1.00	585 AMERILYN LYNCH BANK (US) \$1.00	586 AMERILYN LYNCH BANK (US) \$1.00	587 AMERILYN LYNCH BANK (US) \$1.00	588 AMERILYN LYNCH BANK (US) \$1.00	589 AMERILYN LYNCH BANK (US) \$1.00	590 AMERILYN LYNCH BANK (US) \$1.00	591 AMERILYN LYNCH BANK (US) \$1.00
592 AMERILYN LYNCH BANK (US) \$1.00	593 AMERILYN LYNCH BANK (US) \$1.00	594 AMERILYN LYNCH BANK (US) \$1.00	595 AMERILYN LYNCH BANK (US) \$1.00	596 AMERILYN LYNCH BANK (US) \$1.00	597 AMERILYN LYNCH BANK (US) \$1.00	598 AMERILYN LYNCH BANK (US) \$1.00	599 AMERILYN LYNCH BANK (US) \$1.00	600 AMERILYN LYNCH BANK (US) \$1.00	601 AMERILYN LYNCH BANK (US) \$1.00
602 AMERILYN LYNCH BANK (US) \$1.00	603 AMERILYN LYNCH BANK (US) \$1.00	604 AMERILYN LYNCH BANK (US) \$1.00	605 AMERILYN LYNCH BANK (US) \$1.00	606 AMERILYN LYNCH BANK (US) \$1.00	607 AMERILYN LYNCH BANK (US) \$1.00	608 AMERILYN LYNCH BANK (US) \$1.00	609 AMERILYN LYNCH BANK (US) \$1.00	610 AMERILYN LYNCH BANK (US) \$1.00	611 AMERILYN LYNCH BANK (US) \$1.00
612 AMERILYN LYNCH BANK (US)									



**Tuesday's 4 P.M. Close**  
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.

مجلس الشورى







**WORLD ROUNDUP**

# Zidane's Debt to a Child Worker

## Ex-Senator to Head Olympic Inquiry

**OLYMPICS** The U.S. Olympic Committee picked George Mitchell, the former Senate majority leader, on Tuesday to head its investigation of bribery allegations in Salt Lake City's successful bid for the 2002 Winter Games.

Mitchell, who is under consideration to help President Bill Clinton's defense against impeachment in the Senate, will head a five-member panel. He said he expected to report to the USOC by the end of February. (AP)

## A Croatian Double Fault

**TENNIS** Srdjan Ivanisevic, the father of Goran Ivanisevic, the Croatian star, and Sued Rizvanbegovic, head of the Croatian tennis federation, sued each other, and both lost.

A Zagreb court on Monday sentenced both men to 30 days in prison or one year suspended. Croatian newspapers reported Tuesday. The two had been feuding over the way Croatian tennis is run.

The two men insulted each other in interviews and subsequently sued each other for slander.

Rizvanbegovic sued Ivanisevic for accusing him of "buying" his position with someone else's money and not being a true Croat.

Ivanisevic sued Rizvanbegovic over the accusation that Ivanisevic formed a pro-Yugoslav party. (AP)

## Reeves Stable in Hospital

**FOOTBALL** Dan Reeves, the Atlanta Falcons coach, was in stable condition Monday after returning to a hospital following complications after heart surgery. Reeves had hoped to coach in the playoffs.

A Jake Plummer, a second-year quarterback, signed a \$2.7 million, four-year contract extension with the Arizona Cardinals. (AP)

**International Herald Tribune**  
LONDON — This is a letter to Tahira Bibi, a child who stitches soccer balls in the Punjab:

Dear Tahira,  
You may not remember my visit just before the soccer World Cup of last summer, but I do.

It's an old cliché, but I doubt I can ever forget you. Your solemn face, your swollen stitching fingers, your apparent serenity as hour by hour your work went to make soccer balls that, in another place, another world, help make millionaires.

When we spoke, or rather when your mother, Haleema, spoke because you didn't want to drop a stitch, you had no notion of who Ronaldo, Zinedine Zidane or Michael Owen might be. They are men of a different world — it might seem a different planet — to you.

Though it is my job, my luck, to travel the continents, I approach Christmas still disturbed, still trying to understand how something that starts from nothing at your small hands can give you barely enough to subsist upon, while propelling others far above all of us.

In your composure as you labored beneath the shade of your front door, in your timeless working rhythm, I saw you — an 11-year-old — as the apallingly underpaid creator of the tool of, say, Zidane's finest achievement.

Since you don't read or write, and you have neither time nor access to television, let me draw a picture of who and what Zidane is. He is a Frenchman, though having been born in the tough Algerian district he spent his youth not entirely accepted as true blue.

He had little in childhood, but he was granted something denied you — the precious gift of time and space to play. His playground was the street, his liberator from boredom as a child and possibly drudgery as an adult was the fact that he could make a ball — your ball perhaps, or one made by somebody like you — dance.

And you know what? This play, bordering on genius, has made Zidane everyone's player of 1998.

There is not a price France can put on the two goals he scored with his head to win the final against Brazil at Stade de

World Soccer/Rob Hughes

France. There is no way of over-dramatizing the scenes along the Champs Elysees and up and down the length and breadth of France that this slight and slightly balding man caused among the people who were now all his admirers.

As harsh as your existence is, you might never have come across a racist. Well, a man called Jean-Marie Le Pen who leads the National Front in France is one. Two years ago, he lamented the "coloreds" on the French national team. He dismissed them as immigrants, as mercenaries, and, I'm sad to say, he arouses a considerable following.

Anyway, Zidane did so well in the summer that everyone who runs a poll of the outstanding player of the year put him top. So its not clever of me to tell you about him, except that Zinedine Zidane and Tahira Bibi have something in common.

**Y**OU BOTH started life at the bottom of the pile. He rose because of his talent, and first Cannes, then Bordeaux, then Juventus and then Aime Jacquet, the much-criticized French trainer, built their teams around him. All his coaches did the sensible thing: they did not try to change his natural style, they did not try to work him so hard that he became bored with the effort.

As you do, perhaps, as the sun goes down and the pesky flies start to leave and your fingers ache with the effort of sewing your third 32-panel ball of the day. For each ball, you get 30 cents, which of course means that somebody is profiting greatly from your labor, while Zidane, for his efforts, is a multi-millionaire.

The International Labor Office in Geneva cares about you and 7,000 other under-age workers around Sialkot in the Punjab. They organize — as you know because your two younger sisters benefit — two hours' school a day. They arrange day care to try to help mothers work and ease the necessity for kids to do so.

All the big manufacturers, including Adidas, which markets the official World Cup balls, tell us about their philanthropic deeds, their social conscience, their attempts to produce their expensive

equipment more humanely. They were not there, unlike the flies, around you and your mother when I called.

In truth, I'm lost for words on what, if anything, such groups as the ILO, the United Nations, or writers like myself can really do to help you. It is social engineering on Western lines to suppose that policing children out of work can spare their families' needs when, in your case, you who have no father and every cent you reap puts bread into the mouths of your sisters and two infant brothers.

It is futile to demand that Nike and Adidas and Umbro and Reebok give you a fair wage, or give your mother enough for what she sews so that you could be allowed a balanced upbringing of work and play. Futility, because the Chinese are waiting to set prisoners to stitching at even cheaper rates.

It is a haunting Christmas tale to tell, to keep telling. Ronaldo and Zidane and Owen are not bad guys, but something is wrong with a world that showers more millions at their feet than they could spend, and starves a child in the Punjab if she falls too ill to sew.

God bless you, Tahira, and send someone your way who is less inadequate than I feel after my visit.

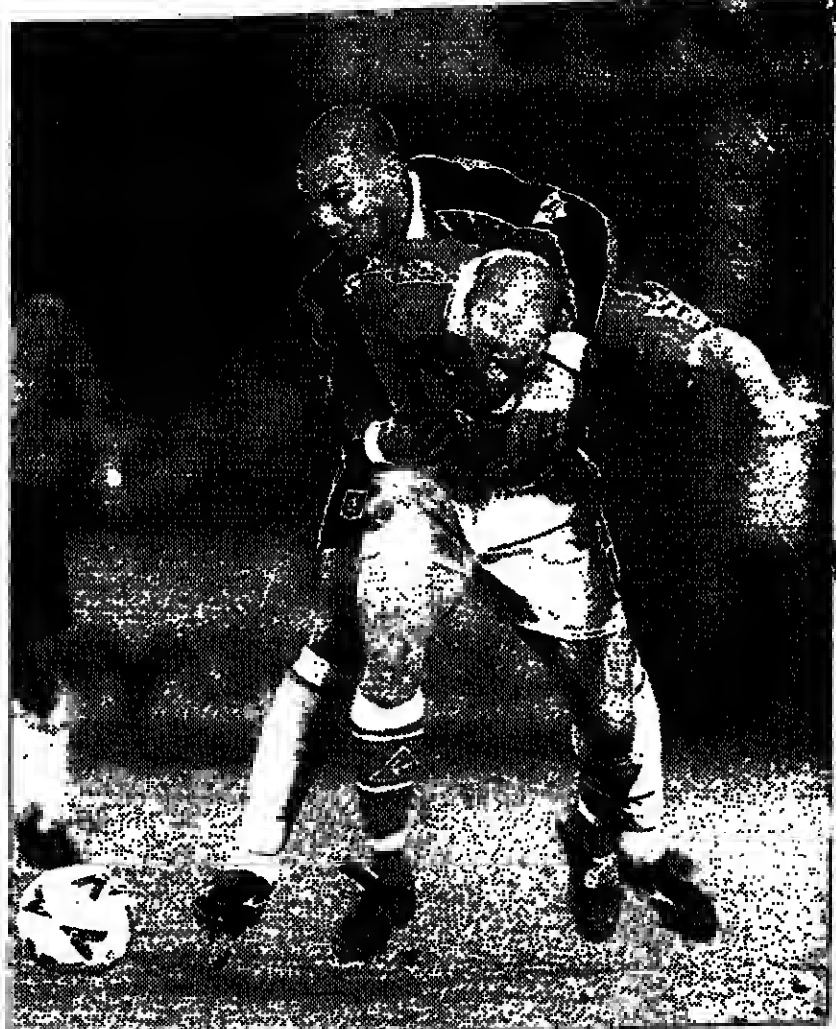
Rob Hughes is the chief sports correspondent of The Times of London.

## Final Upsets Sao Paulo Shops

Sao Paulo shopkeepers are unhappy because the deciding match in the Brazilian championship will be played Wednesday on the busiest shopping afternoon of the year, Reuters reported.

Corinthians will play Cruzeiro at 4 PM, and a 60,000 crowd is expected in Sao Paulo. After the game, they will mix with rush hour traffic in one of the world's most congested cities.

The match, originally scheduled for after Christmas, was brought forward by the Brazilian soccer federation. But Globo, the television network that will broadcast the match, insisted it be played in the afternoon. The company has scheduled a special presented by Xuxa, a children's television star on Wednesday evening.



**CLOSE ENCOUNTER** — Danny Mills of Charlton Athletic holding off Stan Collymore of Aston Villa in an English Premier League match in London. Villa won, 1-0, on Monday to regain first place in the league.

## Germany to Play in Mexico Cup

**The Associated Press**  
ZURICH — Germany will take part in the Confederations' Cup in Mexico next year after the withdrawal of France, FIFA said Tuesday.

The tournament will take place from July 24 to Aug. 4 — four days earlier than planned — to accommodate the Germans, soccer's governing body said. France pulled out because the timing clashed with its domestic league and other European leagues.

FIFA initially moved the eight-nation

event from Jan. 8-20 to July 28-Aug. 8 to placate France. The French soccer federation accepted this, but then changed its mind because the French league begins July 28. France then asked for the competition to be moved to the start of the summer.

FIFA refused, not least because the leading South American club tournament is not scheduled to end until June 16, and the Copa America, the continent's tournament for national teams, begins June 29 and runs through July 8.

# THE INTERMARKET

FOR EUROPE +44 171 420 0348  
FOR THE AMERICAS 1-800 572 7212  
FOR ASIA +852 2922 1188

## BUSINESS OPPORTUNITIES

**THE INTERMARKET**  
Starts on Page 9

**READERS ARE ADVISED** that the International Herald Tribune cannot be held responsible for loss or damages incurred as a result of transactions stemming from advertisements which appear in our paper. It is therefore recommended that readers make appropriate inquiries before sending any money or entering into any binding commitments.

### Business Opportunities

### OFFSHORE COMPANIES

Comprehensive Services  
Tel: 444 (0) 1824 825991  
Fax: 444 (0) 1824 825126  
E-Mail: info@offshore.com  
Web Site: www.offshore.com

### ATON CORPORATE TRUSTEES LTD

### OFFSHORE COMPANIES

READY MADE CO., FULL ADMIN  
TRADE DOCUMENTS AND LC  
BANKING & ACCOUNTING  
FINANCIAL SERVICES  
Contact Sheila Ho for immediate  
service & company brochure  
MAGS LTD, Room 1102 Alton Place  
2-4 Seaside Road, TST, Kowloon  
Hong Kong. E-mail: magsho@supernet.hk  
Tel: 852-2721222 Fax: 852-2724273

### Trade FUTURES & OPTIONS

on the INTERNET  
new strategy.com  
SPH Trading & Brokerage Ltd.  
Stadelhofenstr. 18, 8004 Zurich

**YOU ARE A US OR EUROPEAN**  
BASED company seeking representation  
in Spain to introduce your brand and  
capture new business opportunities.  
Please contact Mr. Horgan for details.  
Tel: 34-91-5414624

**WTF SOCIETY OF FINANCIERS**  
Helping for life-time professionals with  
projects for funding or funding for  
projects. FREE. Automated. Report  
828-252-5807 Fax: 828-254-3001 USA

**2nd PASSPORTS** • Driving Licenses •  
Degrees • Diplomas • Passports • Secret  
Bank Accounts • Fax: 312-534-1407  
E-mail: 1031-534-0245@compuserve.com  
http://www.global-travel.com

**AGENTS WANTED** To Sell US Corp  
cards & LLCs from \$300 (all states)  
Corporate Consulting Ltd. Telephone  
302-229-0500 or Fax: 302-229-0005 USA

**OFFSHORE COMPANIES** For free infor-  
mation or advice Tel: London 44 181 741  
1224 Fax: 44 181 748 6536/2335  
www.offshore.com

**2ND PASSPORT \$10K** Also EU  
Diplomatic Driving Licenses  
cove@funet.fi.ph Fax: 09-241 7522

### Business Opportunities

**YOUR OWN HONG KONG OFFICE**  
Shipping, sourcing and LC service. Off-  
shore companies, bank accounts, finan-  
cial services. Fax: 852-2735-5115

### Business Services

**ATELEIA MANAGEMENT LTD**  
(Offshore Corporate & Trust)  
Contact: Tony Gough/Robert Abbott  
Tel: 44 (0) 1824 810001/810005  
E-mail: ateleia@compuserve.net  
or Bernard Canby, France  
Tel: 33 (0) 2 9817823/9817904  
Mobile: +33 98732796

**YOUR OFFICE IN LONDON**  
Bond Street • Main Phone: Fax: 7517  
Tel: 44 171 290 3000 Fax: 171 499 7517

### Capital Available

**"IMMEDIATE & UNLIMITED"**  
• Capital available for  
• ALL business projects  
• MIN US \$1 million req.  
• Int'l Business Consulting  
(717) 397-7777 (US VOICE)  
http://www.intbuscon.com (Internet)

**U.S. INVESTING PARTNERS** looking for  
projects, start-ups, expand, purchases.  
U.S. Partnerships Only. Fax: 800-590-6070  
may to 878-590-5920 Tel: 878-590-6070  
E-Mail: kcc@offshore.com

### Capital Funding Available

Minimum \$1M USD. Charges no retainer  
fees. Interest 4% + 10¢ Fax: 604-224-1470 Canada.

### Capital Wanted

A COMPREHENSIVE Good Development,  
Chinese, Malay, and/or other, project in  
India with French technical collaboration  
helping to solve poverty, unemployment  
and hunger problems has a commercially  
viable project needs \$10m funds on call  
now. Non resident Indians particularly  
requested to contact. Please Fax: 00 31  
Rij 22 432450 or 00 91 Rij 212 323223

### Collaboration Required

from reputable hotel and restaurant com-  
pany for a state of the art beautiful 300 cov-  
ers ready to start restaurant at Pune in India.  
Not much investment initially. Fax: +91  
101 212 32 32 or 00 91 101 212 323223

### Diamonds

**BUY DIAMONDS FOR CHRISTMAS**, di-  
rect from Antwerp, the world diamond  
center. ANTICA Int'l Diamond Co. Tel:  
+32 3 232 49 60 Fax: +32 3 232 49 67

### Diamonds

**DIAMONDS** Wholesale  
http://www.offshore.com  
diamonds@offshore.com

### Financial Services

**HTC**, Providing A Confidential Company  
and Trust Formation Service • Your Bank  
Accounts • Anonymous And Off Free •  
Tel: +41 32 322 2225  
Fax: +41 32 322 2225  
Email: info@htcswitzerland.com

### Financial Services

### FINANCIAL PROFESSIONALS

### HARD TO BORROW?

Call Colleen Backlund Loans  
PAY INTEREST ONLY

### ENROLL IN OUR CONSULTANT TRAINING PROGRAM

We Locate Finders For  
Business Projects & Real Estate  
Tony Abraham, ESQ. • Real Estate  
Eric A. Klein, ESQ. Attorney/Financier

### INTERNATIONAL DEVELOPING ENTERPRISES AGENCY (IDEA)

380 Madison Ave. 21 FL. NY, NY 10017  
Ph: 212-751-0800 Fax: 212-688-4442  
World Phone: 1508389-6000  
e-mail: pargenta@id.com

### Import/Export

### NOAMEX INC.

LARGE GRADES OF USED CLOTHING  
For women • men • children  
PREMIUM & DOMESTIC QUALITY  
DENIM JEANS & DENIM JACKETS  
Export by bulk, small lots, boxes  
AFRICA, ASIA, EUROPE, MID-EAST  
CENTRAL & SOUTH AMERICA  
Tel: 718-342-2278 Fax: 718-342-2258 US

### BUYING OUTLET FOR THE LARGEST

Trading Companies Brand and  
Luxury goods. WE ARE BUYERS FOR  
Fragrances/cosmetics, watches, pens,  
chinquero, crystal, handbags, optical  
frames, sunglasses. All brands made.  
Please call/ fax. TRADING DESK. Tel:  
USA: +1-212-807-0973 Fax: +1-212-988-  
1561 All calls treated with the utmost  
confidence.

### CASSETS FOR SALE

US company has metal & wooden caskets at whole-  
sale prices. Call: 1-818-522-1137 or  
e-mail: monarchcasket@inc-net.com

### Security and Surveillance

**BILINGUAL SECURITY GUARD** offers  
accompanied security to & from airport.  
office Tel: Paris +33 01 67 07 10 12

### Serviced Offices

### CENTRE D'AFFAIRES

### PARIS ETOILE

Facing the Arc de Triomphe  
Prestigious offices with services  
Tel: +33 (0) 1 47 17 18 44  
Fax: +33 (0) 1 47 17 18 43

### COMMERCIAL REAL ESTATE

### NYC SOHO-TRIBECA

Blockfront Exclusive!  
75,000+ sq. ft., 262 windows  
14 to 20' Ceilings, River Views  
Hotel-Residential Development  
Joseph Mirisola  
212-598-0001 x314 USA  
LEE ODELL REAL ESTATE

### Serviced Offices

### NY OFFICE SPACE

1-200,000  
West Street to Rockefeller Center  
EVERY BUILDING • EVERY SPACE  
Timely Professional Service NO FEE  
Prime Manhattan Realty 212-698-8043

### FULLY SERVICED ROOMS

in the center  
of Rome. Tel: +39 06 54230352 Fax: 39  
06 54230312

### OFFSHORE COMPANIES

### LEADING INTERNATIONAL SPECIALISTS

### Offshore Companies & Trust Formation

- Fast, efficient, professional.
- Management, nominee & administrative services.
- Bank introduction.

### Offshore Companies

**Behamas** \$500  
**Belize - IBC** \$350  
**IV Islands** \$500  
**Cyprus** \$350  
**Delaware** \$495  
**Florida** \$495  
**Ireland (Mac-Ros)** \$225  
**Isle of Man** \$250  
**Jersey** \$495  
Others on request  
Credit Card payments accepted.  
Call NOW for more information.

### Charterhouse Group Limited

Please contact Clive • Office on  
Tel: +44 1624 813566  
Fax: +44 1624 816339  
E-mail: clive@charterhouse.com

### OFFSHORE COMPANIES, TRUSTS & FOUNDATIONS

Since 1977 we have specialized in advising  
on the use of offshore companies, trusts and  
other structures to achieve both personal and  
corporate tax savings and to maximize privacy.  
We incorporate in ALL offshore jurisdictions  
and offer full post incorporation services -  
professionally and at a reasonable cost.

### Example of Incorporation Fees

**IRELAND** - Eileen Murphy  
Tel: +353 1 661 9690 Fax: +353 1 661 2493  
E-Mail: eileen@CSL.com  
**LONDON** - Pymma Zia  
Tel: +44 171 492 4244 Fax: +44 171 491 0975  
E-Mail: pzm@CSL.com  
www.ICSL.com

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### PROFESSIONAL OFFSHORE SERVICES

### THE OFFSHORE SPECIALISTS

OFFSHORE COMPANIES JUST \$ 200

SUITE 35 - CHC BUILDINGS,  
7-9 DAME COURT DUBLIN 2,  
TEL: (01 353 1) 6710096  
FAX: (01 353 1) 6796338

### D'Stopp s.a.

**XMAS OFFER**  
VINTAGE WINES  
Petrucci - Mouton Rothschild  
- Yquem and more...  
Banquets & Dinners  
Free delivery! Benelux  
Tel: +352 46 22 25

### EMPIRE STATE BUILDING ADDRESS

Gain instant credibility  
Establish a NY presence in  
the world's most famous  
building. Mail received, phone  
answering, conference  
room, furnished mini-offices.  
EMPIRE STATE BUSINESS CENTER  
Tel: 212-736-9072 Fax: 212-584-1135

### LEGAL NOTICE

**NORA M. MANELLA**  
United States Attorney  
**LEON W. WEIDMAN**  
Assistant United States Attorney  
**JANET C. HUDSON**  
Assistant United States Attorney  
**GREGORY W. STAPLES**  
Assistant United States Attorney  
Asset Forfeiture Section  
California State Bar No. 155905  
United States Attorney's Office  
Federal Building, Ste. 7516  
300 North Los Angeles Street  
Los Angeles, California 90012  
Telephone: (213) 894-7377  
Facsimile: (213) 894-7177  
Attorneys for Plaintiff  
United States of America  
UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

**UNITED STATES OF AMERICA**

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

### UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

### UNITED STATES OF AMERICA

No. CV 98 - 5060 JSL/RBN  
Plaintiff.

</



SPORTS

# Penguins Are Latest Victims of Leafs, 7-1

The Associated Press  
The Toronto Maple Leafs, after finishing 23rd in scoring in the 26-team National Hockey League last season, are No. 1 in that department this year. Toronto's 7-1 victory over the Pittsburgh Penguins on Monday night gave

## NHL Roundup

the team 105 goals — 11 more than the second-ranked Detroit Red Wings. The Maple Leafs' defense, meanwhile, has allowed 90 goals, tying it for 19th in the 27-team league.

Mats Sundin scored twice and Alyn McCauley had a goal and two assists for the Maple Leafs against the visiting Penguins.

The Toronto goalie, Curtis Joseph, made 30 saves, giving up only a goal to Jan Hrdina as the Maple Leafs were outshot 31-27.

**Atlantic 4, Mighty Ducks 2** Milan Hejduk scored the go-ahead goal for Colorado and goalie Craig Billington got the victory at Anaheim despite playing for less than two minutes and not facing a shot.

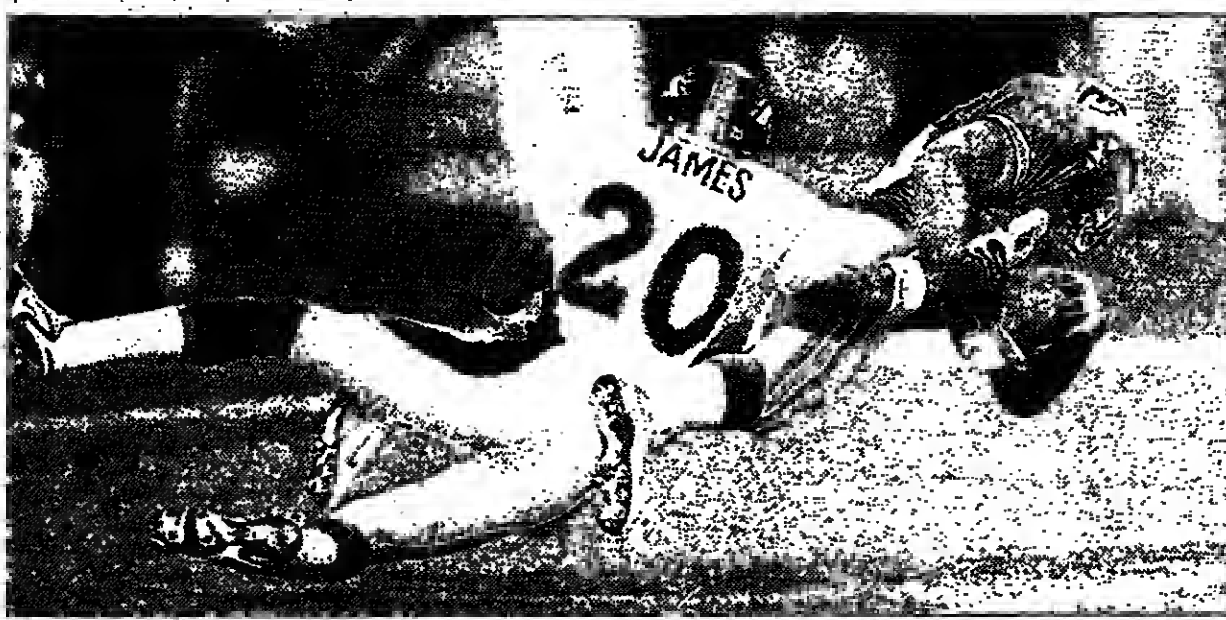
Billington replaced Patrick Roy in the net for a span of 1:52 late in the second period, and was on the ice when Hejduk scored on a power play with Kevin Hatcher serving a tripping penalty.

Roy returned with 20 seconds left in the period.

**Samuel, Hurricanes 1** Jason Woolley had a goal and two assists as Buffalo won at Carolina.

**Canadiens 2, Stars 2** Darryl Sydor's goal at 13:54 of the third period lifted Dallas to a tie at Montreal as the Canadiens remained winless in 10 games — their longest nonwinning streak in over 50 years.

**Braves 3, Lightning 2** In Boston, Kyle McLaren scored twice and Hal Gill had the tie-breaking goal with 8:31 left in the third period.



Tory James of the Broncos trying to stop Oronde Gadsden, a Dolphins' wide receiver, at the goal line in Miami.

# Marino Hurls Dolphins Into Playoffs

By Thomas George  
New York Times Service

MIAMI — Striking a balance between the run and the pass was Miami's mantra for this season. The Dolphins decided they would sink or swim on their running game. Their head coach, Jimmy Johnson, said he had seen enough of Dan Marino throwing, throwing and throwing some more and Miami unable to run that ball. So, it was run or bust.

Nice theory. But on Monday night, it was bust.

The Dolphins turned a 13-7 Denver halftime lead into a second-half exhibition of fancy passes and nifty catches. Marino was maddening (23 of 36 for 353 yards with four touchdowns passes and one interception). Lamar Thomas was explosive (three touchdowns catches, 136 receiving yards) and Miami surprised Denver, 31-21.

The Dolphins (10-5) earned a wildcard playoff berth, completing the American Football Conference postseason picture. Denver (13-2) looks troubled. It fell by 20-16 at the New York Giants last week and then collapsed in Miami under the pressure of Marino's arm and a defense that in-

tercepted the Broncos' quarterback, John Elway, twice. In the matchup of marquee quarterbacks, Elway was no match for Marino. Elway looked bad (13 of 36 for 151 yards with no touchdowns and 2 interceptions) and was intercepted the second time with 3 minutes 17 seconds remaining and Denver set for one of his spectacular game-winning drives.

The Dolphin cornerback Jerry Wilson ruined that, taking an Elway pass that the Bronco tight end Shannon Sharpe had his hands on and wrestling it away, to end Denver's final hopes. Miami converted that into an Orlando Mare 42-yard field goal with 1:10 left that provided the game's final points.

Marino to Thomas for a 56-yard touchdown gave Miami a 14-13 lead. Marino to Thomas again for a 17-yard score with 5:53 left in the quarter made it 21-13. And then with 8:15 left to play, Marino found a new scoring partner, the receiver Oronde Gadsden, for an 8-yard score, Miami ahead, 28-13.

Denver scored on the ensuing kickoff, a 95-yard return by Vaughn Hebron. The Broncos' first kickoff return for a score since 1972. That was it for Denver.

Miami put the game away with those three Marino strikes in the second half and with Wilson's first career theft.

Too much for Denver to overcome, especially with Elway ineffective and with his star running back, Terrell Davis limited, to 16 carries for 29 yards.

"I thought our guys did a great job, every one of them," Johnson said. "I told our team in the meeting last night that to beat a great team like Denver that we needed contributions from everyone on our roster. Dan played one of his best games since I've been here."

Denver and Miami are not familiar opponents. They have met only eight times, the last time before Monday night coming in 1985. Their last meeting in Miami was 23 years ago.

The Dolphins gained no rushing first downs in the first half. They ran the ball 11 times and gained 12 yards. Without Marino's arm (10 of 19 for 168 yards in the half) and the receivers' catches, Miami would have been out of the game early.

The defense helped keep Miami close in the first half. It limited Davis to 26 rushing yards and the Denver rushing attack to 49. It held Elway to 90 yards passing.

# Newest Met Has Stood The Acid Test of Time

Henderson Going Strong After 20 Seasons

By Harvey Araton  
New York Times Service

NEW YORK — In the decade previous to this one, New York's most celebrated baseball leadoff hitter was not the one introduced by Steve Phillips, the Mets' general manager, as "arguably the best leadoff hitter in the history of the game."

It was not Rickey Henderson, who scored 146 runs for the Yankees in 1985

## VANTAGE POINT

and 130 in 1986. Surprisingly, it was a Met, Len Dykstra, who in many ways was the tobacco-spitting image of the 1986 World Series champs.

Dykstra, whose nickname was Nails, played wall-hammerin' hard, on the field and off. Not coincidentally, his career, like those Mets, burned out long before its time. Over in the Bronx, in the years when George Steinbrenner's Yankees sorely needed pitching far more than parking, Henderson occasionally loafed after a ball hit into the gap, claiming a pulled hamstring muscle that his critics said he was faking. But year in, year out, he still produced statistical documentation for future admission to the Hall of Fame.

"We had a good team, a good chemistry," Henderson said Monday at Shea Stadium, where he was introduced as the left fielder for the 1999 Mets. "What we lacked was a little more pitching."

Henderson played for the Yankees from 1983 to 1989, an era when Steinbrenner called his manager, Lou Piniella, during one All-Star Game break to triumphantly announce, "I just won you the pennant."

The owner had traded for the pitcher Steve Trout, whose subsequent southpaw offerings had the navigational dexterity of a wind-blown balloon.

While Dykstra was usually deified for every run generated by his bat and grit, runs not even wasted by a brilliant Mets pitching staff. Henderson's

typically breathtaking performance was typically lost in the monotony of a pitching and managerial revolving door.

Those Yankees lineups contained three pillar superstars — Henderson, Dave Winfield and Don Mattingly — in the prime of their careers. Henderson and Winfield, both African-American, absorbed the bulk of the criticism when the season invariably turned sour.

But before Henderson begins his second go-round in New York, two points of retrospection can be made about his first.

First, had Steinbrenner given the same weight to pitching in the 1980s as he has in the 1990s. Henderson and Winfield could very well have been ushered, like Mattingly, into Yankee Stadium's Monument Park instead of being run out of town.

Second, Henderson (who turns 40 on Friday) has been brought back to New York after posting an on-base percentage of .375 in 152 games last season for the Oakland Athletics. That makes him an authority not only on his "hammy," but also on the nurturing of a ballplayer's body to produce the maximum long-term results.

Henderson had a major-league-leading 66 stolen bases last season. The Mets as a team had 62. Remarkably, with 20 major-league seasons in his books, Henderson is still playing the speed game, albeit somewhat slower afoot and at bat. He is baseball's career stolen-base leader and the owner of two World Series rings.

Here are the names of the only players who have scored more runs: Ty Cobb, Hank Aaron, Babe Ruth, Pete Rose, Willie Mays. Here are the names of those who have drawn more walks: Ruth, Ted Williams.

"I think his longevity says everything about his commitment to his career," Phillips said. "That's his message, and that's the one I hope rubs off on the other players."

And where have you gone, Len Dykstra?

## SCOREBOARD

### ICE HOCKEY

#### NHL STANDINGS

##### EASTERN DIVISION

Team	W	L	T	Pts
New Jersey	18	4	40	36
Philadelphia	14	9	34	28
Pittsburgh	13	9	32	28
N.Y. Rangers	11	7	29	24
N.Y. Islanders	11	19	25	22

##### WESTERN DIVISION

Team	W	L	T	Pts
Colorado	19	11	27	39
San Jose	17	6	39	35
Edmonton	15	9	34	30
Calgary	14	12	31	28
Los Angeles	13	7	22	28

### FOOTBALL

#### NFL STANDINGS

##### AFC EAST

Team	W	L	T	Pts
New England	10	5	3	23
New York Jets	10	5	3	22
New York Giants	9	4	3	22
Indianapolis	9	4	3	21

##### AFC NORTH

Team	W	L	T	Pts
Pittsburgh	10	5	3	23
Cincinnati	8	7	3	19
Cleveland	7	8	3	19
Baltimore	6	9	3	13

##### AFC SOUTH

Team	W	L	T	Pts
Indianapolis	10	5	3	23
Atlanta	8	7	3	19
Jacksonville	7	8	3	19
Tennessee	6	9	3	13

##### AFC WEST

Team	W	L	T	Pts
San Diego	10	5	3	23
Denver	8	7	3	19
Kansas City	7	8	3	19
Seattle	6	9	3	13

##### NFL STANDINGS

Team	W	L	T	Pts
San Francisco	10	5	3	23
Los Angeles	8	7	3	19
San Diego	7	8	3	19
Seattle	6	9	3	13

### CRICKET

#### SOUTH AFRICA VS. WEST INDIES

FOUR-DAY MATCH, FINAL DAY  
TUESDAY IN PETIT MARAIS, AFRICA  
West Indies: 375 and 199-3 dec.  
South Africa: 202 and 191-1.  
Match was abandoned because of rain and ended in a draw.

#### AFRICAN XI VS. ENGLAND

FOUR-DAY MATCH, FINAL DAY  
TUESDAY IN HOBBES, AUSTRALIA  
England: 305 and 199-3 dec.  
Africa XI: 202 and 191-1.  
Match was abandoned because of rain and ended in a draw.

### SOCCER

#### ENGLISH PREMIER LEAGUE

Charlton Athletic 0, Aston Villa 1  
30 Leeds United 2, Arsenal 2, West Ham United 2, Wimbledon 2, Liverpool 2, Newcastle United 2, Leicester City 2, Derby County 2, Tottenham Hotspur 2, Sheffield Wednesday 2, Everton 2, Charlton Athletic 2, Coventry City 1, Blackburn Rovers 1, Southampton 1, Nottingham Forest 1.

#### SCOTTISH PREMIER LEAGUE

St. Johnstone 1, Celtic 1, Rangers 1, Aberdeen 1, Dundee United 1, Dundee 1, Motherwell 1, Inverness 1, St. Mirren 1, Hearts 1.

#### IRISH PREMIER LEAGUE

Shamrock Rovers 1, Derry City 1, Drogheda United 1, Sligo Rovers 1, Wexford 1, Shelbourne 1, Bohemians 1, St. Patrick's Athletic 1, Waterford 1, Uthmaniyah 1.

#### SPANISH LA LIGA

Real Madrid 1, Barcelona 1, Atletico Madrid 1, Valencia 1, Real Betis 1, Real Sociedad 1, Athletic Bilbao 1, Sevilla 1, Espanol 1, Villarreal 1.

#### GERMAN BUNDESLIGA

Borussia Dortmund 1, Bayern Munich 1, Schalke 04 1, Werder Bremen 1, Hamburg 1, Frankfurt 1, Cologne 1, Kaiserslautern 1, Hoffenheim 1, Stuttgart 1.

#### ITALIAN SERIE A

Inter Milan 1, Juventus 1, AC Milan 1, Lazio 1, Fiorentina 1, Roma 1, Napoli 1, Udinese 1, Parma 1, Fiorentina 1.

#### PORTUGUESE PRIMEIRA LIGA

Benfica 1, Sporting CP 1, FC Porto 1, Boavista 1, Vitoria Guimaraes 1, Braga 1, Farense 1, Leiria 1, Setubal 1, Estoril 1.

#### SPANISH CUP

Real Madrid 1, Barcelona 1, Atletico Madrid 1, Valencia 1, Real Betis 1, Real Sociedad 1, Athletic Bilbao 1, Sevilla 1, Espanol 1, Villarreal 1.

#### GERMAN CUP

Borussia Dortmund 1, Bayern Munich 1, Schalke 04 1, Werder Bremen 1, Hamburg 1, Frankfurt 1, Cologne 1, Kaiserslautern 1, Hoffenheim 1, Stuttgart 1.

#### ITALIAN CUP

Inter Milan 1, Juventus 1, AC Milan 1, Lazio 1, Fiorentina 1, Roma 1, Napoli 1, Udinese 1, Parma 1, Fiorentina 1.

#### PORTUGUESE CUP

Benfica 1, Sporting CP 1, FC Porto 1, Boavista 1, Vitoria Guimaraes 1, Braga 1, Farense 1, Leiria 1, Setubal 1, Estoril 1.

#### SPANISH SUPER CUP

Real Madrid 1, Barcelona 1, Atletico Madrid 1, Valencia 1, Real Betis 1, Real Sociedad 1, Athletic Bilbao 1, Sevilla 1, Espanol 1, Villarreal 1.

### THE AP MEN'S TOP 25

Top 25 teams in Associated Press men's college basketball poll, with 1st-place vote in parentheses, records through Dec. 20, total points and previous rankings.

#### Record

Team	Record	Pts
1. Connecticut (24)	8-0	1,738
2. Duke (2)	10-1	1,640
3. Kentucky (2)	10-1	1,604
4. Cincinnati (1)	9-0	1,543
5. Maryland (1)	11-1	1,485
6. Stanford (2)	9-2	1,341
7. North Carolina	12-1	1,222
8. Arizona	9-0	1,226
9. Purdue	11-1	1,216
10. Indiana	11-2	1,040
11. New Mexico	1-0	916
12. UCLA	9-2	902
13. Kansas	8-2	868
14. St. John's	8-2	869
15. Michigan St.	11-0	810
16. Clemson	8-2	346
17. Minnesota	7-1	561
18. Auburn	11-0	510
19. Arkansas	8-2	346
20. Wisconsin	10-1	323
21. Iowa	9-1	292
22. Syracuse	1-3	241
23. Oklahoma	6-1	230
24. Pittsburgh	7	189
25. Oklahoma St.	6-2	164

### LEADING SCORERS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING REBOUNDERS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING ASSISTS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING STEALS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING BLOCKS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POINT GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING FORWARD GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER FORWARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER FORWARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING POWER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### LEADING CENTER GUARDS

Kevin McHale, Boston Celtics 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36; Grant Hill, Detroit Pistons 36.

### THE AP MEN'S TOP 25

Top 25 teams in Associated Press men's college basketball poll, with 1st-place vote in parentheses, records through Dec. 20, total points and previous rankings.

#### Record

Team	Record	Pts
1. Connecticut (24)	8-0	1,738
2. Duke (2)	10-1	1,640
3. Kentucky (2)	10-1	1,604
4. Cincinnati (1)	9-0	1,543
5. Maryland (1)	11-1	1,485
6. Stanford (2)	9-2	1,341
7. North Carolina	12-1	1,222
8. Arizona	9-0	1,226
9. Purdue	11-1	1,216
10. Indiana	11-2	1,040
11. New Mexico	1-0	916
12. UCLA	9-2	902
13. Kansas	8-2	868
14. St. John's	8-2	869
15. Michigan St.	11-0	810
16. Clemson	8-2	346
17. Minnesota	7-1	561
18. Auburn	11-0	510
19. Arkansas	8-2	346
20. Wisconsin	10-1	323
21. Iowa	9-1	292
22. Syracuse	1-3	241
23. Oklahoma	6-1	230
24. Pittsburgh	7	189
25. Oklahoma St.	6-2	164

### LEADING SCORERS



## OBSERVER

## Frothing Lather

By Russell Baker

NEW YORK — "Hell-bent" is the word for Republicans at this eerie moment, and what they are hellbent on is the destruction of President Bill Clinton.

This passion does not present them in an ennobling light, despite efforts to portray themselves as the Lord's righteous army wielding its terrible, swift sword (Republican majorities in the Congress) to stamp out immorality and mendacity.

It is never easy to feel comfortable with politicians who claim to hold the high moral ground, as the Republicans now do. Few spectacles are more grotesque. A politician holding the high moral ground is like a hog in a bathtub.

Yet this is the situation in which Republicans find themselves in their desperation to cleanse the Republic of a president they portray as abominable and loathsome, and quite possibly Satanic. The single-minded partisan intensity of their campaign for impeachment has the smell of fanaticism on it, and possibly a touch of madness. Last week's military strikes against Iraq were immediately hauled into the all-absorbing impeachment melodrama, with Republicans suggesting that war was the president's last maneuver in a malevolent scheme to escape his just deserts.

Trent Lott, the Republicans' Senate leader, came out against the raids even before CNN showed the first pictures of lights in Baghdad's night sky. Instant TV analysts found Lott's position shocking. When the guns begin to speak and Americans go into battle,

Senate leaders, whatever their politics, have always "closed ranks" behind the president. Or so it was said.

On Wednesday night, between TV pictures of explosions in Baghdad, Gerald Solomon, Republican chairman of the House Rules Committee, appeared in American parlors venting his conviction that the whole thing was a Clinton maneuver to prevent impeachment. It was "the lowest thing" he'd ever heard of.

Neither Lott nor Solomon is famous for mental acuity, and the mass of Republicans quickly tried to recover from their lapses by announcing total support for American soldiers, sailors and airmen, omitting only the president.

What we are seeing, as Geneva Overholser notes in The Washington Post, is the death of the political middle. Extremists are in charge. They are always plentiful in Congress, but they rarely rule.

When Lyndon Johnson was majority leader he used to call them "the red hots." They were dominantly liberals then, and had no muscle. Now they are conservatives for whom compromise amounts to betrayal of faith.

For six years they have tried to persuade the public to get rid of Clinton for general villainess. Maddened by the public's refusal to see the light, they have talked themselves into a frothing lather. They are hellbent on putting a stake through his heart, and public sentiment be damned.

It is a tale of mythic grandeur, produced by those three modern Fates: Paula Jones, Linda Tripp and Monica Lewinsky. Like Abraham Lincoln and Betsy Ross, their names will long endure.

New York Times Service

## A Siberian Winter Descends on Espionage Tales

By Doreen Carvajal  
New York Times Service

NEW YORK — Like cashed spies groping for a mission, veteran literary spy masters are coming out of the Cold War into a new world order that is hard on current sales and indifferent to their old-fashioned trench-coat espionage fiction.

Some well-known authors have recently parted with their publishing houses in search of a fresh approach to increase sales, a strategy as elusive as KGB moles. Others, like John le Carré, have found intrigue in new settings. In March his new book, a spy novel set in a sinister world of international finance, will be published.

Most dramatic, perhaps, is the literary turn taken by Frederick Forsyth, author of "The Day of the Jackal" and "The Odessa File," who has changed publishing houses as his sales have declined, acquired a new literary agent and publicly renounced the thriller genre to "try my hand at something else."

"Something else" is a slim volume, a sequel to Gaston Leroux's 1910 novel, "The Phantom of the Opera," that grew out of discussions with the composer Andrew Lloyd Webber, who may stage it as a musical. Forsyth's publisher of more than 25 years, Bantam, chose not to buy the manuscript, "The Phantom of Manhattan," which places the disfigured character in a Coney Island factory cleaning fish. But the author found another taker.

The market is colder than a Siberian winter for espionage tales, many publishing executives and agents say, blaming the end of the Cold War and shifts in readers' tastes. Today they prefer the Tom Clancy style of technological thrillers featuring exotic military weapons and an executive-style CIA hero.

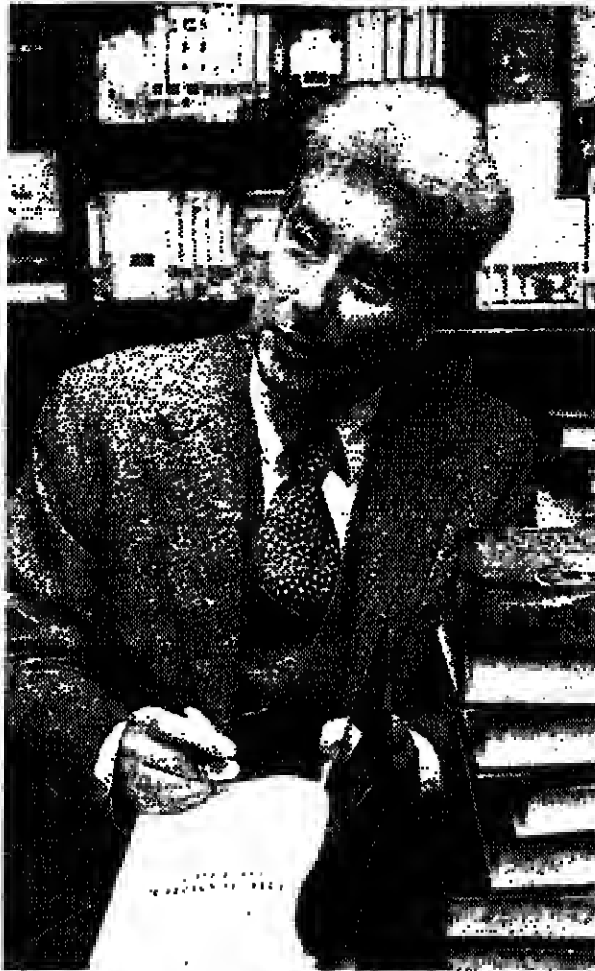
"When someone like Freddie doesn't want to write them anymore, then there must be something going on in the world that makes it difficult for a master," said Forsyth's new agent, Ed Victor, who added that the authors' moves probably reflect "that spy fiction has peaked, and people usually look for people to blame, which means you can fire your publisher, fire your agent."

Since the Berlin Wall crumbled in 1989 and the Soviet Union collapsed in 1991, writers who established themselves by exploring the duplicitous world of spycraft have had much more difficulty climbing the heights of The New York Times best-seller list, occupying those rarefied levels for fewer weeks, if at all.

For example, Len Deighton followed the life of Bernard Samson, a star-crossed British agent, in three trilogies, two of which were best-sellers in the 1980s and 1990. But the last set, published through 1996, failed to make the ranks.

Forsyth achieved enduring success with "Jackal" and "Odessa File," which lingered on the list for 48 weeks. But his last best-seller, "Icon," a post-communist thriller set in a disintegrating Russia, slipped off the list after two weeks.

For his sequel to "The Phantom of the Opera," Forsyth has signed with an untraditional publisher, Michael Viner, the president of New Millennium Entertainment in Beverly Hills, California. Viner is better known for publishing tell-all



Ken Follett signing copies of his latest non-spy novel.

nonfiction like Faye Resnick's book about Nicole Brown Simpson.

In the last two months, writers like Robert Ludlum and Ken Follett have left their publishing houses for new ones, moves that often reflect polite differences about advances or sales expectations that publishers do not consider promising enough to justify the generous contracts of flush days. But the public explanation from Ludlum, Follett and le Carré is a desire for fresh approaches, a yearning that has seized some well-known writers like an old-fashioned global conspiracy.

Ludlum, who achieved his highest successes in the 1970s with tales of complex global plots, left his publisher of more than two decades, Bantam, for St. Martin's Press, which offered him an eight-figure contract and a new strategy. His sales at Bantam had settled to a plateau of about 450,000

copies for recent titles like "The Matarese Countdown." "It's certainly harder to get an audience hot about the Cold War, because it's just not there anymore," said Jack Romanos, the president of Simon & Schuster, which is publishing le Carré's new book through its Scribner imprint.

"It's been difficult to make it to a different area. People have tried to make it work in South America, the Middle East and China, but it never had the same cachet as when it was the good old Americans against the communists."

Historically, spy fiction has flourished and waned with the inspiration of war or its threat. The first spy novel in Western literature is credited to James Fenimore Cooper, who in 1821 wrote "The Spy: A Tale of the Neutral Ground," a novel based on a Revolutionary war spy, said Thomas B. Allen, co-author of a reference guide, "Spy Book."

There was a dry spell until the American Civil War. After another drought, spy fiction surfaced again in the early 1900s and flourished in 1930s pulp magazines. But Allen said the two World Wars produced fewer spy novels than the Cold War.

"I think we're in a valley," Allen said of the present cycle. "The generation of spy novelists that included le Carré were writing inside their own time about things that were almost happening. So now we're in a time where nothing much is happening."

Most affected by the cooler market are the second-tier authors who were writing in the genre, said Romanos of Simon & Schuster.

Younger thriller writers like Daniel Silva, 37, author of "The Unlikely Spy" and "The Mark of the Assassin," draw inspiration from World War II, but "going back to the Cold War would be a little strange," he said. "Instinctively it doesn't feel right. There's not enough distance and drama."

Le Carré, a former British intelligence officer whose real name is David Cornwell, can be viewed as a case study of shifting to new themes. The author left his publisher of 20 years, Alfred A. Knopf, changed literary agents and is poised to publish a new book, "Single & Single," that continues his movement away from espionage themes and the world of his brooding spy, George Smiley. His last book, "The Tailor of Panama," involved an elaborate plot to void the Panama Canal Treaties. His base of readers has eroded and his past sales figured into his last advance from Simon & Schuster, which dropped to \$2.5 million.

At Scribner, where marketing executives have a one-word view of Cold War spy fiction — "Done" — the publishers are positioning le Carré to reach a new generation of readers. Scribner is planning to print 300,000 copies of the novel.

Follett noted that he had avoided the spy genre in his last two novels, the latter a contemporary thriller called "The Hammer of Eden," which centers on aging hippie eco-terrorists.

"Certainly, the golden age of the spy story is definitely over," Follett said. "But that doesn't mean that there aren't going to be any good ones written. In order to do so, I've had to set my story in 1958. I don't think it would work in 1998. We're not afraid of the Russians anymore. You need someone to be afraid of."

## PEOPLE

THE former butler for Diana, Princess of Wales has lost his job at the charity set up in her memory. Paul Burrell, 40, the man the late princess called "my rock," cleared out his desk Tuesday and said his good-byes. Burrell had been the chief fund-raiser for the Diana, Princess of Wales Memorial Fund, but was told that since the charity no longer was actively raising money, the position was not necessary. The fund's chief executive, Andrew Parkis, said that he had offered Burrell a job as a roving ambassador, but that he had refused.

Julio Iglesias says his children are fortunate to have his fame helping their careers. "They are lucky to be my children," the 55-year-old singer said during a ceremony to present a greatest hits album. Iglesias's son Enrique told the Los Angeles Times last year that he did not like discussing music with his father because he had sold more records. Enrique won a Grammy Award for best Latin pop performer in 1997. Enrique, 23, is the youngest of three children

Iglesias had with Isabel Preysler. His daughter, Chaheli, is a Spanish-language TV personality, and his other son, Julio Jose, is a singer and model.

The architect Robert Graham has been commissioned to create the "Great Bronze Doors" for a cathedral being built by the Roman Catholic Arch-

diocese of Los Angeles. Graham's works include the "Olympic Gateway" for the 1984 Los Angeles Games. He also has been commissioned to depict Franklin D. Roosevelt for a Washington memorial.

George Michael has completed 80 hours of community service as part of

his no-contest plea to lewd conduct in a public toilet in a California park. A Municipal Court judge, Charles Rubin, warned the singer's attorney during a hearing Monday that Michael is under a court order to stay out of Will Rogers Park for the duration of his probation, about 17 more months. Michael, 35, was arrested April 7 by an undercover police officer in a restroom at the park across from the Beverly Hills Hotel.

The O'Neill Society will present its medal for "monumental contributions" to Theodore Mann, who joined with Jose Quintana to restore the reputation of Eugene O'Neill with their Circle in the Square revival of "The Iceman Cometh" in 1956. Mann produced 14 O'Neill plays at the theater. The ceremony will take place when the society meets in January in Bermuda. Another medal will be awarded to Joy Buck Waters, who owns and restored Spithead, the Bermuda house where the Nobel Prize-winning playwright worked on several plays in the mid-1920s.



SWIMMING WITH SANTA — "Scuba Santa" at Underwater World in Perth, Australia, swims with turtles and sharks for the holiday season.

## Iranian Exile Honored by Journalists' Group

Reuters

PARIS — The World Association of Newspapers has awarded its 1999 Golden Pen of Freedom award to the exiled Iranian writer Faraj Sarkuhi. Sarkuhi, former editor of the cultural journal Adineh, was freed from prison in January after serving a 12-month sentence for "propaganda" offenses. The association said he had consistently defended press freedom in Iran. "He has refused to be silenced and continues to write eloquently about conditions in his home country," it said in a statement.

Sarkuhi, who said he had been badly beaten and threatened three times with execution while in prison, left Iran for Germany in May but says he wants to go home. He was arrested last year in southwestern Iran while allegedly trying to leave the country illegally. He was found guilty of involvement in anti-state propaganda and having secret contacts with Europeans.

(out of the blue)

You never know where your next business idea will come from. So use AT&T Direct<sup>®</sup> Service, with the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. A U.S. toll-free AT&T Calling Card or direct card and route well on your way. And now, back to your vacation.

## Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers			
Austria	022-903-011	Greece	08-800-1311
Belgium	0-800-108-10	Ireland	1-800-555-000
Czech Republic	80-2-600-101	Israel	0800-944-649
Egypt (Cairo)	518-0200	Italy	172-1011
France	0-800-99-0011	Netherlands	0800-422-9111
Germany	0130-0010	Russia (Moscow)	755-5042
		Saudi Arabia	1-800-10
		Spain	900-99-0011
		Sweden	020-795-411
		Switzerland	0800-89-0011
		United Kingdom	0800-89-0011
		United Kingdom	0200-89-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at [www.att.com/traveler](http://www.att.com/traveler)



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Pay phone deposit. Limited availability. Calling available to most countries. Public phones require local coin payment during the call. "02" represents Cairo. Additional charges apply outside Moscow. Use U.K. access number in N. Ireland. If call does not complete, use 0800-012-0011. ©1998 AT&T